

MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605 E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



15/06 /2020

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) <u>Mumbai 400 051</u> SCRIP CODE: MEGH.NS	BSE Limited Floor- 25, P J Tower, Dalal Street, <u>Mumbai 400 001</u> SCRIP CODE: 532865
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Dear Sir/Madam,

Sub: - Standalone and Consolidated Audited Financial Results for the Quarter/ Year ended 31st March, 2020.

We wish to inform you that at the meeting of the Board of Directors of the Company ("Board") held today i.e. on **Monday, 15th June, 2020**, the Board has considered and approved the Audited Financial Results (Standalone and Consolidated) of the Company for the Quarter/Year ended **31st March, 2020**. The said Audited Financial Results were reviewed by the Audit Committee and thereafter approved by the Board. The Board Meeting Commenced at **12.00 Noon** and concluded at **2.45 PM**.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, statement showing the Audited Financial Results (Standalone & Consolidated) for the Quarter/Year ended on **31st March, 2020** along with statement of Segment-wise Revenue Results, Statement of Assets and Liabilities and Auditor's Reports (Standalone and Consolidated) of the Statutory Auditors are enclosed herewith.

Pursuant to the proviso to Regulations 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board declares that the above Auditor's Reports are with unmodified opinion with respect to the Audited Financial Results (Standalone & Consolidated) of the Company for the Quarter/ Year ended on March 31, 2020.

The Board decided that the Interim Dividend of Rs. 1.00/ (100%)- per Equity Share of Rs.1/- each fully paid up declared and paid on 20th March, 2020 be considered as final dividend for Financial year 2019-20.

Thanking you.

**Yours faithfully,
For Meghmani Organics Limited**

K D Mehta

**K D Mehta
Company Secretary & Compliance Officer**

Encl: - As above

C C to: - Singapore Stock Exchange: - **For information of Members.**

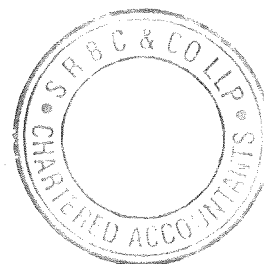
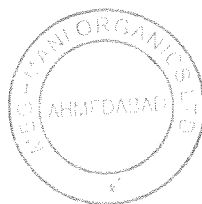


Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2020

(Rs. in Lakhs, except as stated otherwise)

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		March 31, 2020 (Refer Note 2)	December 31, 2019	March 31, 2019 (Refer Note 2)	March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	52,035.20	52,221.72	55,773.04	219,118.12	208,795.85
II	Other income	2,645.93	798.25	(215.33)	5,610.23	3,320.38
III	Total income (I+II)	54,681.13	53,019.97	55,557.71	224,728.35	212,116.23
IV	EXPENSES					
	(a) Cost of materials consumed	22,703.95	30,061.04	30,009.21	112,817.34	108,891.28
	(b) Purchases of stock-in-trade	839.92	1,086.77	849.81	3,990.64	5,687.38
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7,338.35	(3,378.52)	(3,302.17)	7,071.09	(11,283.36)
	(d) Employee benefits expense	2,539.34	3,416.33	3,290.30	12,867.23	12,249.03
	(e) Finance costs	1,565.24	1,350.25	1,815.14	4,257.27	5,599.21
	(f) Depreciation and amortisation expense	2,232.85	2,236.85	2,394.92	8,858.82	9,725.94
	(g) Other expenses	10,209.58	10,566.24	9,052.19	38,961.65	38,804.01
	Total expenses (IV)	47,429.23	45,338.96	44,109.40	188,824.04	169,673.49
V	Profit before exceptional items and tax (III - IV)	7,251.90	7,681.01	11,448.31	35,904.31	42,442.74
VI	Exceptional items (net) (refer note 5)	-	-	1,586.78	-	1,586.78
VII	Profit before tax (V - VI)	7,251.90	7,681.01	9,861.53	35,904.31	40,855.96
VIII	Tax expense (refer note 7)					
	(1) Current tax	1,822.73	1,901.25	2,474.50	8,340.34	10,654.56
	(2) Adjustment of tax relating to earlier years	-	-	-	(273.02)	(61.52)
	(3) Net deferred tax expense / (benefit)	(272.29)	109.75	(326.35)	(1,064.53)	726.20
IX	Net Profit for the period from continuing operations (VII-VIII)	5,701.46	5,670.01	7,713.38	28,901.52	29,536.72
X	Net Profit for the period (X)	5,701.46	5,670.01	7,713.38	28,901.52	29,536.72
XI	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss in subsequent periods	(164.76)	(57.46)	(100.63)	(337.12)	(196.33)
	(ii) Income tax relating to items that will not be reclassified to profit or loss as mentioned above	40.86	16.02	35.17	88.91	68.61
	B (i) Items that will be reclassified to profit or loss in subsequent periods	3.41	4.90	(4.27)	17.04	34.14
	(ii) Income tax relating to items that will be reclassified to profit or loss as mentioned above	(0.86)	(0.38)	1.49	(4.29)	(11.93)
XII	Total Comprehensive Income for the period (X + XI) (comprising Profit / Loss and Other Comprehensive Income for the period)	5,580.11	5,633.09	7,645.14	28,666.06	29,431.21
	Profit attributable to:					
	Owners of the Company	5,132.70	4,760.99	6,647.07	24,014.64	25,127.25
	Non-controlling interests	568.76	909.02	1,066.31	4,886.88	4,409.47
	Other Comprehensive Income attributable to:					
	Owners of the Company	(123.07)	(32.48)	(64.08)	(223.87)	(95.83)
	Non-controlling interests	1.72	(4.44)	(4.16)	(11.59)	(9.68)
	Total Comprehensive Income attributable to:					
	Owners of the Company	5,009.63	4,728.51	6,582.99	23,790.77	25,031.42
	Non-controlling interests	570.48	904.58	1,062.15	4,875.29	4,399.79
XIII	Paid up equity share capital (face value of Rs. 1 each)	2,543.14	2,543.14	2,543.14	2,543.14	2,543.14
XIV	Other equity excluding revaluation reserves				118,362.85	97,816.89
XV	Earnings per share (of Rs. 1 each) after exceptional item (not annualised for quarters)					
	Basic (in rupees)	2.02	1.87	2.61	9.44	9.88
	Diluted (in rupees)	2.02	1.87	2.61	9.44	9.88

See accompanying notes to the consolidated financial results



**Notes to consolidated financial results:**

- 1 The above statement of audited Consolidated Financial results for the quarter and year ended March 31, 2020 (the Statement) of Meghmani Organics Limited (the Holding Company) and its subsidiaries as mentioned in note 4 below, is reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on June 15, 2020. The consolidated financial results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
- 2 The above results have been prepared on the basis of audited consolidated financial statements of the Company for the year ended March 31, 2020 and the consolidated interim financial results for the quarter and nine months ended December 31, 2019, which are prepared in accordance with Ind AS notified under Companies (Indian Accounting Standards) Rules, 2015. The figures of the last quarter are the balancing figures between audited figures for the full financial year and published unaudited year to date figures up to the end of third quarter of the respective financial year.
- 3 As per Ind AS 108 "Operating Segment" Company has reported segment information under three segments: 1) Pigments 2) Agro-chemicals and 3) Chloro Alkali and Its Derivatives.
- 4 The Statement Includes results of the following subsidiaries:
1. Meghmani Finechem Limited
2. Meghmani Organics Inc. USA
3. P T Meghmani Indonesia
4. Meghmani Overseas FZE
5. Meghmani Organochem Limited (w.e.f. October 15, 2019)
- 5 The exceptional item for the quarter and year ended March 31, 2019 includes loss on account of fire on March 26, 2019 at a manufacturing facility of the Company in Dahej location. Loss on fire included Inventory, Property Plant and Equipment and other ancillary expenses amounting to INR 1,586.78 lakhs as assessed by the management and was charged to Statement of Profit and Loss for the quarter and year ended March 31, 2019 in line with requirements of Ind AS 16. The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim. Management has submitted requisite information to the surveyor and Insurance company, however preliminary assessment / claim report is awaited from the Insurance Company.
- 6 On March 30, 2019, MCA notified Ind AS 116 'Leases' (the Standard) which replaced Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all the leases under a single balance sheet model similar to the accounting for finance lease under Ind AS 17. The Group has adopted INDAS 116, effective from April 1, 2019 using modified retrospective approach given in para C8(b) and C8(c)(ii) of the Standard to ongoing leases. Accordingly, the comparatives have not been restated. On the date of transition, the Company has recognised Right of Use (ROU) asset amounting to INR 1,297.74 lakhs. The ROU asset measured at amount equal to the lease liability in the Balance Sheet on the date of initial application.
- In the Consolidated statement of profit and loss, operating lease expenses were recognised as other expenses in the previous period. Pursuant to adoption of Ind AS 116, amounts are recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability in the current period. The adoption of this standard did not have any significant impact on the profits for the period and earnings per share.
- 7 The Holding Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Holding Company has recognized the provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax basis the rate prescribed in the aforesaid section. The consequent impact of remeasurement of deferred tax amounting to INR 1,143 lakhs is accounted during the quarter and half year ended September 30, 2019. The material Subsidiary Company incorporated in India has not elected to exercise the option permitted under Section 115BBA and has continued making provision for income tax at the existing tax rates for the year ended March 31, 2020.
- 8 The Board of Directors of holding company at their meeting held on January 29, 2020, have approved composite scheme of arrangement ("the Scheme") proposing demerger of agro and pigment divisions of holding company along with its investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") of Meghmani Finechem Limited (MFL) into a newly incorporated wholly owned subsidiary company Meghmani Organochem Limited. Further, post demerger, as per the composite scheme, the holding company along with its trading business and equity investment in its subsidiary company Meghmani Finechem Limited (MFL) shall be merged into MFL. The shareholders of holding company will get equity shares of Meghmani Organochem Limited as consideration for demerger as per the share swap ratio defined in the composite scheme. Further, shares held by holding company in MFL (57.16%) shall stand cancelled on merger and the shareholders of holding company will get equity shares of MFL as consideration for merger as per the share swap ratio defined in the composite scheme.
- The Scheme is subject to shareholders' and regulatory approvals which the Company is in the process of undertaking.
- 9 The standalone financial results for the quarter and year ended March 31, 2020 are summarised below and detailed financial results are available on Company's website www.meghmani.com and have been submitted to the BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the equity shares of the Company are listed.

Particulars	Quarter ended		Year ended		
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations	40,494.00	37,617.02	37,713.32	162,465.32	141,042.00
Profit before tax	8,221.66	4,939.43	3,926.11	23,545.27	22,219.12
Net Profit for the period	6,751.66	3,538.44	3,013.28	19,291.58	16,669.07
Other comprehensive income (net of tax)	(127.90)	(31.08)	(51.53)	(221.15)	(90.08)
Total comprehensive income for the period	6,623.96	3,507.36	2,961.75	19,070.43	16,778.99

- 10 The Board of Directors at their meeting held on March 3, 2020 have declared an Interim dividend of Rs. 1.00 per share of Rs. 1 each (i.e. 100%). Further the Board of Directors at their meeting held on June 15, 2020, have recommended final dividend of Rs 0.40 per share of Re 1 each (40%), subject to approval of shareholders in the ensuing Annual General Meeting.
- 11 Ministry of Agriculture and Farmer Welfare ("MOAFW") vide its notification dated May 14, 2020 has published a draft order called the "Banning of Insecticides Order, 2020, ("Draft Order") wherein 27 Insecticide are proposed to be banned for import, manufacture, sale, transport, distribute and use as specified in the schedule to the order from the date of publication to the order. Any objection / suggestion against the said draft order by person affected are to be submitted before the expiry of 45 days from the said order. The proposed ban would possibly affect revenue of certain products of the Holding Company.
- Various representation have been made against the said order. Based on the representation received from FICCI, CHEMEXCIL, PMFAI and HIL (India) Limited, Ministry of Chemicals and Fertilizer has filed a response to MOAFW dated June 2, 2020 stating reasons for not banning the products as proposed in the said Draft Order.
- Pursuant to above, MOAFW has issued a revised draft by allowing export of these products and also extending the date for submitting objection / suggestion from 45 to 90 days.
- On the aforesaid basis, the Holding Company believes that there are several contentions in favour of the entire Agrochemical Industry which are tenable. The Trade and Industry Association leader with the support of every member is in process of preparing convincing representations besides the legal recourse to challenge the said unilateral notification. Accordingly, The Holding Company believes that the draft order will not be sustained and the same will be reversed by MOAFW.
- 12 The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Group were impacted, due to shutdown of plants and offices following nationwide lockdown. The Group continues with its operations in a phased manner in line with directives from the authorities.
- The Group has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions there is no material impact and adjustments required on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions and its impact, if any.
- 13 Statement of audited consolidated cash flow for the year ended March 31, 2020 and March 31, 2019 is given in Annexure 1.
- 14 Previous quarter/ year-end figures have been regrouped/ reclassified, wherever necessary, to confirm to current period's classification.

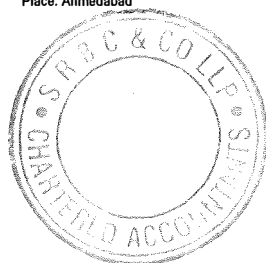
For and on behalf of Board of Directors of
Meghmani Organics Limited

Ashish Soparkar
Managing Director

Date: June 15, 2020
Place: Ahmedabad



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CIN No. L24110GJ1995PLC024052 Tele.no - +91-79-71781000





Chemistry of Success

Meghmani Organics Limited

Segment Revenue, Results, Segment Assets and Segment Liabilities (Consolidated)

(Rs. in Lakhs, except as stated otherwise)

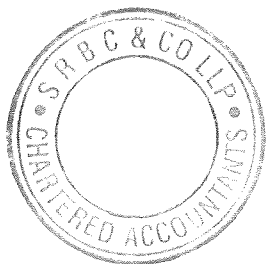
Particulars	Quarter ended			Year ended	Year ended
	March 31, 2020 (Refer Note 2)	December 31, 2019	March 31, 2019 (Refer Note 2)	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
1. SEGMENT REVENUE					
(a) Pigment	16,480.13	15,245.26	14,636.87	64,056.36	60,480.23
(b) Agrochemicals	23,994.01	22,262.60	23,053.47	97,340.43	79,049.27
(c) Chloro Alkali & Its Derivatives	11,974.21	15,630.62	19,346.31	60,978.03	71,039.30
(d) Others/Unallocated	1,169.22	1,616.47	1,307.93	5,561.86	7,997.77
Total	53,617.57	54,754.95	58,344.58	227,936.68	218,566.57
Less Inter-segment sales	1,582.37	2,533.23	2,571.54	8,818.56	9,770.72
Net sales income from operations	52,035.20	52,221.72	55,773.04	219,118.12	208,795.85
2. SEGMENT RESULTS					
(a) Pigment	2,574.42	2,339.67	1,403.47	8,493.36	6,923.61
(b) Agrochemicals	4,664.52	4,403.50	3,883.24	18,268.90	15,223.20
(c) Chloro Alkali & Its Derivatives	1,957.54	2,985.11	8,075.73	15,529.22	26,621.55
(d) Others/Unallocated	71.51	46.39	3.81	234.60	71.15
Total	9,267.99	9,774.67	13,366.25	42,526.08	48,839.51
Less - (i) Finance Cost	1,565.24	1,350.25	1,815.14	4,257.27	5,599.21
(ii) Other Un-allocable income, net of expenses	453.07	845.96	1,814.58	2,536.20	2,729.53
(iii) Elimination	(2.22)	(102.55)	(125.00)	(171.70)	(345.19)
Profit before tax	7,251.90	7,681.01	9,861.53	35,904.31	40,855.96
3. SEGMENT ASSETS					
(a) Pigment	59,758.51	60,259.17	59,014.93	59,758.51	59,014.93
(b) Agrochemicals	82,919.64	79,390.58	70,586.53	82,919.64	70,586.53
(c) Chloro Alkali & Its Derivatives	126,957.50	126,497.33	104,044.94	126,957.50	104,044.94
(d) Others/Unallocated	23,614.46	24,364.35	23,665.03	23,614.46	23,665.03
(e) Elimination	(19,558.03)	(20,224.15)	(19,635.59)	(19,558.03)	(19,635.59)
TOTAL SEGMENT ASSETS	273,692.08	270,287.28	237,675.84	273,692.08	237,675.84
4. SEGMENT LIABILITIES					
(a) Pigment	22,385.98	24,217.38	24,603.62	22,385.98	24,603.62
(b) Agrochemicals	37,451.42	36,755.11	35,777.95	37,451.42	35,777.95
(c) Chloro Alkali & Its Derivatives	68,494.43	67,080.89	55,134.68	68,494.43	55,134.68
(d) Others/Unallocated	7,145.26	7,359.40	8,405.27	7,145.26	8,405.27
(e) Elimination	(1,618.67)	(2,282.57)	(1,529.53)	(1,618.67)	(1,529.53)
TOTAL SEGMENT LIABILITIES	133,858.42	133,130.21	122,391.99	133,858.42	122,391.99

See accompanying notes to the consolidated financial results

Notes :-

1 Others business segment includes – Merchant Trading

Date - June 15, 2020
Place - AhmedabadFor and on behalf of Board of Directors of
Meghmani Organics Limited

Ashish Soparkar
Managing Director


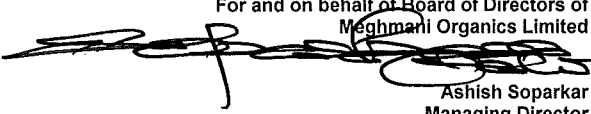


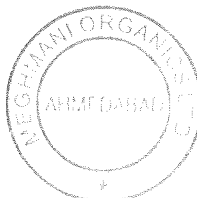
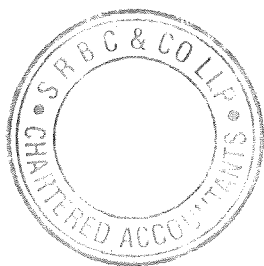
Statement of Assets and Liabilities (Consolidated)

(Rs. in Lakhs, except as stated otherwise)

Sr. No.	Particulars	As at March 31, 2020 Audited	As at March 31, 2019 Audited
(A)	ASSETS		
	Non-Current Assets		
	(a) Property, Plant and Equipment	90,636.95	72,504.68
	(b) Capital work-in-progress	78,735.60	51,267.31
	(c) Other Intangible assets	2,009.37	1,152.05
	(d) Intangible assets under development	438.90	491.27
	(i) Investments	57.21	57.41
	(ii) Others	1,430.59	1,045.17
	(f) Deferred Tax Assets (net)	-	28.06
	(g) Non Current Tax Assets (Net)	863.16	1,030.30
	(h) Other Non-Current Assets	1,838.92	2,964.36
	Total Non-Current Assets	176,010.70	130,540.61
	Current Assets		
	(a) Inventories	35,160.74	41,093.90
	(b) Financial Assets		
	(i) Trade Receivables	53,051.97	43,135.33
	(ii) Cash and cash equivalents	858.95	13,329.63
	(iii) Bank balances other than (iii) above	63.35	136.25
	(iv) Loans	57.15	58.62
	(v) Others	3,693.90	4,176.66
	(c) Current Tax Assets (Net)	-	278.85
	(d) Other Current Assets	4,795.32	4,925.99
	Total Current Assets	97,681.38	107,135.23
	TOTAL ASSETS	273,692.08	237,675.84
(B)	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	2,543.14	2,543.14
	(b) Other Equity	118,362.85	97,816.89
	Equity attributable to Equity holders of the Parent	120,905.99	100,360.03
	(c) Non-controlling interests	18,927.67	14,923.82
	Total Equity	139,833.66	115,283.85
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	47,386.83	45,061.50
	(ii) Other Financial Liabilities	1,296.98	781.31
	(b) Provisions	1,302.36	760.25
	(c) Deferred Tax Liabilities (Net)	3,446.71	5,041.81
	Total Non- Current Liabilities	53,432.88	51,644.87
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	18,697.92	20,193.94
	(ii) Trade Payables	27,473.38	25,614.87
	(iii) Other Financial Liabilities	28,516.34	21,749.73
	(b) Other Current Liabilities	3,911.88	1,177.65
	(c) Provisions	18.17	596.23
	(d) Current Tax Liabilities (Net)	1,807.85	1,414.70
	Total Current Liabilities	80,425.54	70,747.12
	Total Equity and Liabilities	273,692.08	237,675.84

See accompanying notes to the consolidated financial results

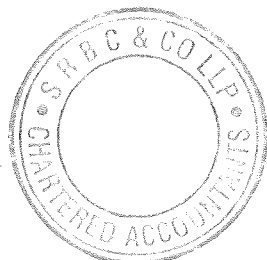
Date - June 15, 2020 Place - Ahmedabad	For and on behalf of Board of Directors of Meghmani Organics Limited  Ashish Soparkar Managing Director
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Annexure - 1- Statement of Audited Consolidated Cash Flow for the year ended on March 31, 2020

(Rs. in Lakhs, except as stated otherwise)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
		Audited	Audited
A	Cash Flow from Operating Activities		
	Profit Before Tax	35,904.31	40,855.96
	Adjustment to reconcile profit before tax to net cash flows:		
	Depreciation and Amortisation Expenses	8,858.82	9,725.94
	Unrealised Foreign Exchange (Gain) / Loss (Net)	(2,617.40)	1,128.55
	Mark to Market Loss on Derivative (Gain) / Loss (Net)	-	(17.38)
	Liability no longer Required written back	(21.30)	(320.89)
	Dividend Income	-	(3.75)
	Finance cost	4,257.27	5,599.21
	Interest Income	(585.58)	(433.61)
	Bad Debts Written off	58.61	504.75
	Provision for Doubtful Debt	771.97	393.19
	Exceptional Item - Loss Due to Fire	-	1,476.78
	Sundry Balance Written off	(54.88)	28.50
	Profit on Sale of Mutual Funds	(184.86)	(585.83)
	Loss on Sale of Property, Plant & Equipment (Net)	144.74	378.38
	Operating Profit Before Working Capital Changes	46,531.70	58,729.80
	Adjustment for:		
	(Increase)/Decrease in Inventories	5,933.17	(14,843.97)
	(Increase) in Trade Receivables	(7,762.07)	(7,828.62)
	(Increase)/Decrease in Short Term Loans and Advances	1.48	(20.80)
	Decrease in Other Current Financial Assets	114.71	2,853.78
	(Increase)/Decrease in Other Current Assets	130.67	(216.04)
	(Increase)/Decrease in Other Non-Current Financial Assets	(17.03)	16.62
	(Increase)/Decrease in Other Non-Current Assets	625.16	(585.15)
	Increase in Trade Payables	1,584.42	6,193.48
	Increase/(Decrease) in Other Current Financial Liabilities	(1,608.83)	3,300.95
	Increase in Other Current Liabilities	2,734.23	140.41
	Increase/(Decrease) in Provisions	(373.07)	627.78
	Working Capital Changes	1,362.84	(10,361.56)
	Cash Generated from Operation	47,894.54	48,368.24
	Direct Taxes Paid (Net of refund)	(7,466.80)	(10,845.18)
	Net Cash generated from Operating Activities	40,427.74	37,523.06
B	Cash Flow from Investment Activities		
	Purchase of Property, Plant & Equipment	(49,101.58)	(37,798.65)
	Proceeds from sale of Property, Plant & Equipment	63.63	181.74
	(Investment in) Fixed deposits	(514.50)	(83,925.77)
	Redemption of Fixed Deposits	160.26	84,400.00
	(Investment) / Redemption of earmarked balances with Banks	76.69	(100.86)
	Interest Received	1,050.23	382.47
	Dividend Received	-	3.75
	Proceeds from Redemption of Mutual Fund	32,584.86	33,730.72
	Proceeds from Sale of Non-Current Investments	0.20	-
	Investment in Mutual Fund	(32,400.00)	(26,003.08)
	Net Cash Used in Investing Activities	(48,080.21)	(29,129.68)
C	Cash Flow from Financing Activities		
	Dividend paid	(3,604.64)	(2,442.28)
	Dividend Distribution Tax Paid	(605.34)	(524.74)
	Finance cost Paid	(5,831.01)	(5,306.36)
	Repayment of Finance Lease Liability	(253.34)	-
	(Repayment) / Proceeds from Short Term Borrowings	(2,103.62)	12,052.15
	Proceeds from Issue of Share Capital to Non Controlling Interest	-	1,500.00
	Payment towards Acquisition of Stake from Non Controlling Interest	-	(22,119.66)
	Proceeds from Bank Borrowing (Term Loan)	13,197.00	42,613.00
	Repayment of Bank Borrowing (Term Loan)	(5,617.26)	(21,261.36)
	Net Cash (Used in) / Generated from Financing Activities	(4,818.21)	4,510.75
	Net (Decrease)/ Increase in Cash and Cash Equivalent (A+B+C)	(12,470.68)	12,904.13
	Cash and Cash Equivalent at the beginning of the year	13,329.63	425.50
	Cash and Cash Equivalent at the end of the year	858.95	13,329.63
	Cash and Cash Equivalent Comprises as under :		
	Balance with Banks in Current Accounts	845.20	1,317.72
	Fixed Deposit with Bank	-	12,000.00
	Cash on Hand	13.75	11.91
	Cash and Cash Equivalents	858.95	13,329.63

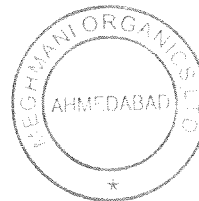
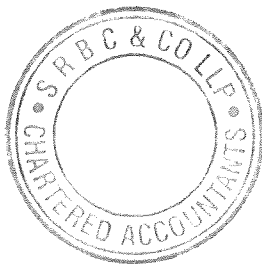


Statement of Audited Standalone Financial Results for the quarter and Year ended March 31, 2020

(Rs. in Lakhs, except as stated otherwise)

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		March 31, 2020 (Refer Note 2)	December 31, 2019	March 31, 2019 (Refer Note 2)	March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	40,494.00	37,817.02	37,713.32	162,465.32	141,042.00
II	Other income	5,139.21	768.48	698.95	7,811.60	3,882.19
III	Total income (I+II)	45,633.21	38,585.50	38,412.27	170,276.92	144,924.19
IV	EXPENSES					
	(a) Cost of materials consumed	17,551.03	23,438.02	24,881.04	88,478.83	87,954.61
	(b) Purchases of stock-in-trade	692.87	1,380.19	792.70	4,674.50	4,162.57
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7,376.04	(3,541.79)	(3,559.98)	7,514.93	(11,040.20)
	(d) Employee benefits expense	1,743.60	2,232.05	2,002.44	8,278.98	7,267.93
	(e) Finance costs	1,022.29	956.28	1,043.31	3,142.26	4,589.20
	(f) Depreciation and amortisation expense	1,202.71	1,208.60	1,144.83	4,752.06	4,629.04
	(g) Other expenses	7,823.01	7,972.72	6,595.04	29,890.09	29,470.43
	Total expenses (IV)	37,411.55	33,646.07	32,899.38	146,731.65	127,033.58
V	Profit before exceptional items and tax (III - IV)	8,221.66	4,939.43	5,512.89	23,545.27	17,890.61
VI	Exceptional items (net) (refer note 4)	-	-	1,586.78	-	(4,328.51)
VII	Profit before tax (V - VI)	8,221.66	4,939.43	3,926.11	23,545.27	22,219.12
VIII	Tax expense (refer note 6)					
	(1) Current tax	1,560.00	1,425.00	1,134.21	5,760.00	5,390.00
	(2) Adjustment of tax relating to earlier years	-	-	-	(273.02)	(73.79)
	(3) Net deferred tax expense / (benefit)	(90.20)	(24.01)	(221.38)	(1,233.29)	33.84
IX	Net Profit for the period from continuing operations (VII-VIII)	6,751.86	3,538.44	3,013.28	19,291.58	16,869.07
X	Net Profit for the period (X)	6,751.86	3,538.44	3,013.28	19,291.58	16,869.07
XI	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss in subsequent periods	(170.92)	(41.53)	(79.21)	(295.53)	(138.46)
	(ii) Income tax relating to items that will not be reclassified to profit or loss as mentioned above	43.02	10.45	27.68	74.38	48.38
XII	Total Comprehensive Income for the period (X + XI) (comprising Profit / Loss and Other Comprehensive Income for the period)	6,623.96	3,507.36	2,961.75	19,070.43	16,778.99
XIII	Paid up equity share capital (face value of Rs. 1 each)	2,543.14	2,543.14	2,543.14	2,543.14	2,543.14
XIV	Other equity excluding revaluation reserves				96,537.43	81,253.44
XVII	Earnings per share (of Rs.1 each) after exceptional item (not annualised for quarters)					
	Basic (in rupees)	2.65	1.39	1.18	7.59	6.63
	Diluted (in rupees)	2.65	1.39	1.18	7.59	6.63


See accompanying notes to the standalone financial results



Notes to standalone financial results:

- 1 The above statement of audited Standalone Financial results for the quarter and year ended March 31, 2020 ('the Statement') of Meghmani Organics Limited ('the Company') is reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on June 15, 2020. The standalone financial results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
- 2 The above results have been prepared on the basis of audited standalone financial statements of the Company for the year ended March 31, 2020 and the standalone interim financial results for the quarter and nine months ended December 31, 2019, which are prepared in accordance with Ind AS notified under Companies (Indian Accounting Standards) Rules, 2015. The figures of the last quarter are the balancing figures between audited figures for the full financial year and published unaudited year to date figures up to the third quarter of the respective financial year.
- 3 As per Ind AS 108 "Operating Segment" Company has reporting segment information under two segments: 1) Pigments and 2) Agro-chemicals .
- 4 (a) The exceptional item for the quarter and year ended March 31, 2019 includes loss on account of fire on March 26, 2019 at a manufacturing facility of the Company in Dahej location. Loss on fire included inventory, Property Plant and Equipment and other ancillary expenses amounting to INR 1,586.78 lakhs as assessed by the management and was charged to statement of profit and loss for the quarter and year ended March 31, 2019 in line with requirements of Ind AS 16. The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim. Management has submitted requisite information to surveyor and insurance company, however preliminary assessment / claim report is awaited from the Insurance company.
- (b) The exceptional item for the year ended March 31, 2019 include INR 5,915.29 lakhs which pertains to gain on sale of 16,900,835 shares (i.e. 23.88% stake) of Meghmani Finechem Limited ("MFL") to its wholly owned subsidiary Meghmani Agrochemicals Private Limited ("MACPL") pursuant to the terms of the share purchase agreement entered into between the parties on October 1, 2017.
- 5 On March 30, 2019, MCA notified Ind AS 116 'Leases' (the Standard) which replaced Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all the leases under a single balance sheet model similar to the accounting for finance lease under IND AS 17. The Company has adopted IND AS 116, effective from April 1, 2019 using modified retrospective approach. Accordingly, the comparatives have not been restated. On the date of transition, the Company has recognised Right of Use (ROU) asset amounting to INR 797.13 lakhs. The ROU asset measured at amount equal to the lease liability in the Balance Sheet on the date of initial application.
- In the Standalone statement of profit and loss, operating lease expenses were recognised as other expenses in the previous period. Pursuant to adoption of Ind AS 116, amounts are recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability in the current period. The adoption of this standard did not have any significant impact on the profits for the period and earnings per share.
- 6 The Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Company has recognized the provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax basis the rate prescribed in the aforesaid section. The consequent impact of remeasurement of deferred tax amounting to INR 1,143 lakhs is accounted during the quarter and half year ended September 30, 2019.
- 7 The Board of Directors of Company at their meeting held on January 29, 2020, have approved composite scheme of arrangement ("the Scheme") proposing demerger of agro and pigment divisions of Company along with its investment in Optionally Convertible Redeemable Preference Shares ('OCRPS') of Meghmani Finechem Limited (MFL) into a newly incorporated wholly owned subsidiary company Meghmani Organochem Limited. Further, post demerger, as per the composite scheme, the Company along with its trading business and equity investment in its subsidiary company Meghmani Finechem Limited (MFL) shall be merged into MFL. The shareholders of Company will get equity shares of Meghmani Organochem Limited as consideration for demerger as per the share swap ratio defined in the composite scheme. Further, shares held by the Company in MFL (57.16%) shall stand cancelled on merger and the shareholders of holding company will get equity shares of MFL as consideration for merger as per the share swap ratio defined in the composite scheme.
- The Scheme is subject to shareholders' and regulatory approvals which the Company is in the process of undertaking.
- 8 The Board of Directors at their meeting held on March 3, 2020 have declared an interim dividend of Rs. 1.00 per share of Rs. 1.00 each (i.e. 100%). Further the Board of Directors at their meeting held on May 24, 2019, have recommended final dividend of Rs 0.40 per share of Re 1 each (40%), subject to approval of shareholders in the ensuing Annual General Meeting .
- 9 The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Company were impacted, due to shutdown of plants and offices following nationwide lockdown. The Company continues with its operations in a phased manner in line with directives from the authorities.
- The Company has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions there is no material impact and adjustments required on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and its impact, if any.
- 10 Ministry of Agriculture and Farmer Welfare ("MOAFW") vide its notification dated May 14, 2020 has published a draft order called the "Banning of Insecticides Order, 2020, ("Draft Order") wherein 27 insecticide are proposed to be banned for import, manufacture, sale, transport, distribute and use as specified in the schedule to the order from the date of publication to the order. Any objection / suggestion against the said draft order by person affected are to be submitted before the expiry of 45 days from the said order. The proposed ban would possibly affect revenue of certain products of the Company.
- Various representations have been made against the said order. Based on the representation received from FICCI, CHEMEXCIL, PMFAI and HIL (India) Limited, Ministry of Chemicals and Fertilizer has filed a response to MOAFW dated June 2, 2020 stating reasons for not banning the products as proposed in the said Draft Order.
- Pursuant to above, MOAFW has issued a revised draft by allowing export of these products and also extending the date for submitting objection / suggestion from 45 to 90 days.
- On the aforesaid basis, the Company believes that there are several contentions in favour of the entire Agrochemical Industry which are tenable. The Trade and Industry Association leader with the support of every member is in process of preparing convincing representations besides the legal recourse to challenge the said unilateral notification. Accordingly, The Company believes that the draft order will not be sustained and the same will be reversed by MOAFW.
- 11 Statement of audited standalone cash flow for the year ended March 31, 2020 and March 31, 2019 is given in Annexure 1.
- 12 Previous quarter/ year-end figures have been regrouped/ reclassified, wherever necessary, to confirm to current period's classification.

For and on behalf of Board of Directors of
Meghmani Organics Limited

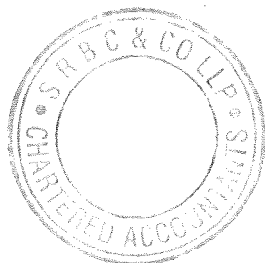


Ashish Soparkar
Managing Director

Date: June 15, 2020
Place: Ahmedabad



Registered Office - Plot no - 184 GIDC Phase - II, Vatva, Ahmedabad - 382445, Gujarat, India. www.meghmani.com
CIN No. L24110GJ1995PLC024052 Tele.no - +91-79-71781000





Meghmani Organics Limited

Chemistry of Success

Segment revenue, results, Segment assets and segment liabilities (Standalone)

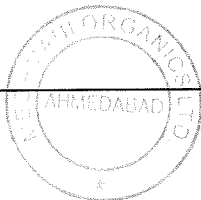
(Rs. in Lakhs, except as stated otherwise)

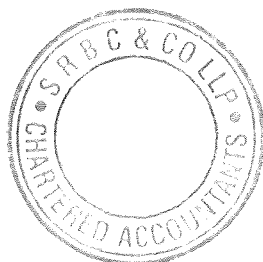
Particulars	Quarter ended			Year ended	Year ended
	March 31, 2020 (Refer Note 2)	December 31, 2019	March 31, 2019 (Refer Note 2)	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
1. SEGMENT REVENUE					
(a) Pigment	16,480.12	15,245.26	14,636.86	64,056.35	60,480.23
(b) Agrochemicals	23,994.00	22,262.60	23,053.47	97,340.43	79,049.27
(c) Others/Unallocated	19.88	309.16	22.99	1,068.54	1,512.50
Total	40,494.00	37,817.02	37,713.32	162,465.32	141,042.00
Less Inter-segment sales	-	-	-	-	-
Net sales Income from operations	40,494.00	37,817.02	37,713.32	162,465.32	141,042.00
2. SEGMENT RESULTS					
(a) Pigment	2,574.42	2,339.67	1,403.47	8,493.36	6,923.61
(b) Agrochemicals	4,664.52	4,403.50	3,883.24	18,268.90	15,223.20
(c) Others/Unallocated	5.40	(1.45)	37.60	13.04	83.59
Total	7,244.34	6,741.72	5,324.31	26,775.30	22,230.40
Less - (i) Finance Cost	1,022.29	956.28	1,043.31	3,142.26	4,589.20
(ii) Other Un-allocable income, net of expenses	(1,999.61)	846.01	354.89	87.77	(4,577.92)
Profit before tax	8,221.66	4,939.43	3,926.11	23,545.27	22,219.12
3. SEGMENT ASSETS					
(a) Pigment	59,758.51	60,259.17	59,014.93	59,758.51	59,014.93
(b) Agrochemicals	82,919.64	79,390.58	70,586.53	82,919.64	70,586.53
(c) Others/Unallocated	21,688.55	21,748.52	20,756.30	21,688.55	20,756.30
Total Segment Assets	164,366.70	161,398.27	150,357.76	164,366.70	150,357.76
4. SEGMENT LIABILITIES					
(a) Pigment	22,385.98	24,217.38	24,603.62	22,385.98	24,603.62
(b) Agrochemicals	37,451.42	36,755.11	35,777.95	37,451.42	35,777.95
(c) Others/Unallocated	5,448.73	5,409.08	6,179.61	5,448.73	6,179.61
Total Segment Liabilities	65,286.13	66,381.57	66,561.18	65,286.13	66,561.18

See accompanying notes to the standalone financial results

Notes :-

1 Others business segment includes – Merchant Trading

For and on behalf of Board of Directors of
Meghmani Organics LimitedDate - June 15, 2020
Place - Ahmedabad

Ashish Soparkar
Managing Director




Statement of Assets and Liabilities (Standalone)

(Rs. in Lakhs, except as stated otherwise)

Sr. No.	Particulars	As at March 31,	As at March 31,
		2020	2019
		Audited	Audited
(A)	ASSETS		
	Non-Current Assets		
	(a) Property, Plant and Equipment	46,460.35	42,779.19
	(b) Capital work-in-progress	9,637.37	4,442.48
	(c) Other Intangible assets	1,591.05	1,152.05
	(d) Intangible assets under development	438.90	491.27
	(e) Investments in Subsidiary	18,251.55	18,246.55
	(f) Financial Assets		
	(i) Investments	57.21	57.41
	(ii) Others	1,066.48	559.70
	(g) Non Current Tax Assets (Net)	663.30	681.89
	(h) Other Non-Current Assets	1,493.09	1,133.29
	Total Non-Current Assets	79,659.30	69,543.83
	Current Assets		
	(a) Inventories	29,654.33	36,360.80
	(b) Financial Assets		
	(i) Trade Receivables	46,379.02	35,412.38
	(ii) Cash and cash equivalents	764.39	177.16
	(iii) Bank balances other than (ii) above	63.35	136.25
	(iv) Loans	39.64	22.99
	(v) Others	3,579.22	4,069.29
	(c) Current Tax Assets (Net)	-	278.85
	(d) Other Current Assets	4,227.45	4,356.21
	Total Current Assets	84,707.40	80,813.93
	Total Assets	164,366.70	150,357.76
(B)	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	2,543.14	2,543.14
	(b) Other Equity	96,537.43	81,253.44
	Total Equity	99,080.57	83,796.58
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	5,558.30	8,527.45
	(ii) Other Financial Liabilities	699.74	-
	(b) Provisions	1,147.07	648.68
	(c) Deferred Tax Liabilities (Net)	2,781.11	4,088.78
	Total Non- Current Liabilities	10,186.22	13,264.91
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	16,725.93	19,957.32
	(ii) Trade Payables		
	Total outstanding dues of micro and small enterprises	1,784.41	888.16
	Total outstanding dues of creditors other than micro and small enterprises	21,682.82	21,401.66
	(iii) Other Financial Liabilities	9,562.20	8,159.38
	(b) Other Current Liabilities	3,554.85	918.66
	(c) Provisions	9.63	591.22
	(d) Current Tax Liabilities (Net)	1,780.07	1,379.87
	Total Current Liabilities	55,099.91	53,296.27
	Total Equity and Liabilities	164,366.70	150,357.76

See accompanying notes to the standalone financial results

Date - June 15, 2020 Place - Ahmedabad		For and on behalf of Board of Directors of Meghmani Organics Limited
		 Ashish Soparkar Managing Director

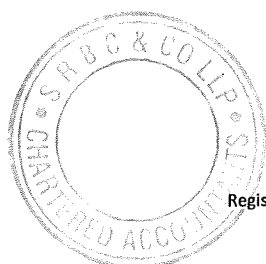




Annexure - 1 - Statement of Audited Standalone Cash Flow for the year ended on March 31, 2020

(Rs. in Lakhs, except as stated otherwise)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
		Audited	Audited
A	Cash Flow from Operating Activities		
	Profit Before Tax	23,545.27	22,219.12
	Adjustment to reconcile profit before tax to net cash flows:		
	Depreciation and Amortisation Expenses	4,752.06	4,629.04
	Unrealised Foreign Exchange (Gain) / Loss (Net)	(2,761.20)	1,179.86
	Mark to Market Loss on Derivative (Gain) / Loss (Net)	-	(17.38)
	Liability no longer Required written back	(21.30)	(225.14)
	Finance Cost	3,142.26	4,589.20
	Dividend Income	(2,460.72)	(1,535.56)
	Interest Income	(573.29)	(293.66)
	Bad Debts Written off	58.61	504.75
	Provision for Doubtful Debt	771.97	393.19
	Exceptional Item - Loss Due to Fire	-	1,476.78
	Sundry Balance Written off	(16.59)	25.70
	Profit on Sale of Investment	(145.87)	(5,915.29)
	Loss on Sale of Property, Plant & Equipment (Net)	140.23	378.54
	Operating Profit Before Working Capital Changes	26,431.43	27,409.15
	Adjustment for:		
	(Increase)/Decrease in Inventories	6,706.47	(13,619.54)
	(Increase) in Trade Receivables	(8,829.09)	(7,306.30)
	(Increase) in Short Term Loans and Advances	(16.66)	(6.78)
	Decrease in Other Current Financial Assets	201.74	2,907.73
	Decrease in Other Current Assets	128.77	124.28
	Decrease in Other Non-Current Financial Assets	23.55	26.85
	(Increase)/Decrease in Other Non-Current Assets	625.16	(585.15)
	Increase in Trade Payables	991.81	5,187.52
	Increase/(Decrease) in Other Current Financial Liabilities	(589.34)	1,338.90
	Increase in Other Current Liabilities	2,636.19	310.31
	Increase/(Decrease) in Provisions	(378.74)	599.13
	Working Capital Changes	1,499.86	(11,023.05)
	Cash Generated from Operation	27,931.29	16,386.10
	Direct Taxes Paid (Net of refund)	(4,579.08)	(4,892.00)
	Net Cash generated from Operating Activities	23,352.21	11,494.10
B	Cash Flow from Investment Activities		
	Purchase of Property, Plant & Equipment	(12,192.76)	(7,534.21)
	Proceeds from sale of Property, Plant & Equipment	60.98	179.24
	(Investment in) / Redemption of Fixed Deposits & Margin Money (net)	(514.50)	50.53
	(Investment) / Redemption of earmarked balances with Banks	76.69	(100.86)
	Dividend Received	2,460.72	1,535.56
	Interest Received	648.33	5.82
	Investment in Preference shares of Subsidiary Company	-	22,170.89
	Redemption in Preference shares of Subsidiary Company	-	(22,170.89)
	Investments in Equity Shares of Subsidiary Company	(5.00)	-
	Proceeds from Sale of Non-Current Investments	0.20	-
	Proceeds from Sale of Mutual Fund	27,945.87	-
	Investment in Mutual Fund	(27,800.00)	-
	Net Cash Used in Investing Activities	(9,319.47)	(5,863.92)
C	Cash Flow from Financing Activities		
	Dividend Paid	(3,637.09)	(2,442.28)
	Dividend Distribution Tax Paid	(226.05)	(209.10)
	Finance Cost Paid	(2,170.52)	(4,391.63)
	Repayment of Finance Lease Liability	(155.61)	-
	(Repayment)/Proceeds from Short Term Borrowings	(3,838.98)	15,150.81
	Proceeds from Bank Borrowing (Term Loan)	-	3,000.00
	Repayment of Bank Borrowing (Term Loan)	(3,417.26)	(16,683.33)
	Net Cash (Used in) Financing Activities	(13,445.51)	(5,575.53)
	Net Increase in Cash and Cash Equivalent (A+B+C)	587.23	54.65
	Cash and Cash Equivalent at the beginning of the year	177.16	122.51
	Cash and Cash Equivalent at the end of the year	764.39	177.16
	Cash and Cash Equivalent Comprises as under :		
	Balance with Banks in Current Accounts	753.11	167.08
	Cash on Hand	11.28	10.08
	Cash and Cash Equivalents	764.39	177.16



Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Meghmani Organics Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Meghmani Organics Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited and reviewed financial statements of the subsidiaries, the Statement:

- i. includes the results of the following entities:

Name of the Entity	Relationship
Meghmani Organics Limited	Holding Company
Meghmani Finechem Limited	Subsidiary Company
Meghmani Organics Inc., USA	Wholly Owned Subsidiary
Meghmani Overseas FZE	Wholly Owned Subsidiary
PT Meghmani Indonesia	Wholly Owned Subsidiary
Meghmani Organochem Limited	Wholly Owned Subsidiary

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of Matter

We draw attention to Note 12 of the accompanying consolidated financial results, as regards the management's evaluation of COVID-19 impact on the operation and assets of the Group. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate



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internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the financial statements and other financial information, in respect of:

- 1 subsidiary, whose financial statements include total assets of Rs 77.99 lakhs as at March 31, 2020, total revenues of Rs 169.12 lakhs and Rs 813.75 lakhs, total net loss after tax of Rs. 15.74 lakhs and Rs. 2.41 lakhs, total comprehensive loss of Rs. 15.74 lakhs and Rs. 2.41 lakhs, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 162.76 lakhs for the year ended March 31, 2020, as considered in the Statement which have been audited by its independent auditor.
- 1 subsidiary, whose financial statements include total assets of Rs. 1,643.05 lakhs as at March 31, 2020, total revenues of Rs 980.24 lakhs and Rs 3,679.57 lakhs, total net profit after tax of Rs. 71.43 lakhs and Rs. 176.46 lakhs, total comprehensive loss of Rs. 71.43 lakhs and Rs. 176.46 lakhs, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 11.54 lakhs for the year ended March 31, 2020, as considered in the Statement which have been reviewed by its independent auditor.



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The independent auditor's report on the financial statements of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The accompanying Statement includes unaudited financial statements and other unaudited financial information in respect of:

- 1 subsidiary, whose financial statements include total assets of Rs NIL as at March 31, 2020, and total revenues of Rs NIL and Rs NIL, total net profit after tax of Rs. NIL and Rs. NIL, total comprehensive income of Rs. NIL and Rs. NIL, for the quarter and the year ended on that date respectively and net cash outflows of Rs. NIL for the year ended March 31, 2020.

This unaudited financial statements have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, 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.

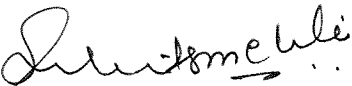
Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial information certified by the Management.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Sukrut Mehta**

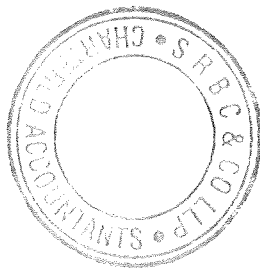
Partner

Membership No.: 101974

UDIN: 20101974AAAABC1954

Ahmedabad

June 15, 2020



Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Meghmani Organics Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Meghmani Organics Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

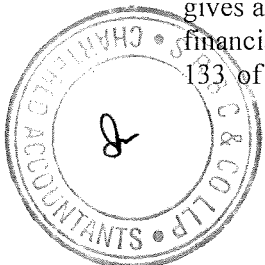
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 9 of the standalone financial results, as regards the management's evaluation of COVID-19 impact on the operation and assets of the Company. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally



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accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

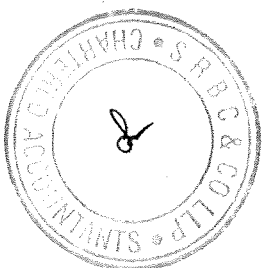
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

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



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

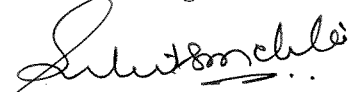
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Sukrut Mehta

Partner

Membership No.: 101974

UDIN: 20101974AAAABB1177

Ahmedabad

June 15, 2020

