Chemistry of success at work

ANNUAL REPORT 2012-2013

MEGHMANI ORGANICS LIMITED

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Jayanti M Patel Ashish N Soparkar Natwarlal M Patel Ramesh M Patel Anand I Patel Balkrishna T Thakkar Chinubhai R Shah Jayaraman Vishwanathan K H Patel Akthar Hassen G Shaik (Resigned on 11.02.2013)
AUDIT COMMITTEE	Balkrishna T Thakkar Chinubhai R Shah Jayaraman Vishwanathan
NOMINATING COMMITTEE	Chinubhai R Shah Balkrishna T Thakkar Jayanti M Patel
REMUNERATION COMMITTEE	Chinubhai R Shah Balkrishna T Thakkar Natwarlal M Patel
THE SHAREHOLDERS' / INVESTORS' GRIEVANCE, SHARE ALLOTMENT AND SHARE TRANSFER COMMITTEE	Chinubhai R Shah Balkrishna T Thakkar Ashish Soparkar
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
INVESTOR SERVICES E - MAIL ID	helpdesk@meghmani.com

CORPORATE INFORMATION

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 Telephone No. 91-79-26640 668/669 Fax No. 91-79-26640670 E-mail : helpdesk@meghmani.com
MUMBAI OFFICE	Present Office :- 3/24, AC Market, Tardeo Road, Mumbai 400 034
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 – Division – Dahej SEZ	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 Dahej – 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 Patel & Khandwala 204, Akik, Opp. Lions Hall, Mithakhali, Ahmedabad 380 009
JOINT - AUDITOR	KPMG Safal Profitaire, B4, Third Floor, Corporate Road, Opp. Auda Garden, Prahladnagar, Ahmedabad – 380 015

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CHAIRMAN'S STATEMENT

Dear Shareholders,

These 12 months have presented both challenges and opportunities for our Group, a leading manufacturer of pigment and pesticide products in India. We dealt with risks like inconsistent supply from third parties, continued uncertainty in the global economic recovery, competition from China as well as exchange rate fluctuations.

Financial Results:-

With the right strategies, we have mitigated our risks and ended Financial Year 2013 (“FY 2013”) with a 703.4% year-on-year (“yoy”) surge in Group Net Profit to ₹ 283 million despite a marginal yoy dip in revenue to Rs. 10.4 billion and substantially higher income tax. Meghmani’s key performance drivers in FY 2013 stemmed from the growth of the Indian domestic market, particularly sales of Caustic Chlorine, and synergies arising from our vertically integrated business model. Notwithstanding high raw material prices, the Group also achieved a 9.9% increase in Gross Profit to ₹ 1.9 billion in FY 2013 and further strengthened our gross margin from 16.4% to 18.1%.

In view of our Group's improved performance in FY 2013, I am pleased to propose a final dividend of ₹ 0.10 per share in FY 2013, which represents a dividend payout ratio of 29.4%.

Financial Review:-

In FY 2013, revenues of Pigments and Agrochemicals both decreased with Agrochemicals registering a larger drop of 14.5% yoy to ₹ 3.4 billion while revenue for Pigments fell 1.8% yoy to ₹ 2.6 billion. Caustic Chlorine, which overtook Pigments as the Group’s second largest revenue contributor in FY 2013, registered a significant 23.4% yoy rise in revenue to ₹ 2.9 billion.

The Group’s Agrochemical segment saw a 11.9% and 20.9% decline in revenue contribution from the export and domestic markets to ₹ 2.5 billion and ₹ 908.5 million respectively from lower quantity sales. This was due in part to the Group’s lower production level during the year brought about by inconsistent raw material supplies, stricter implementation of environmental norms by State Pollution Control Board as well as the relocation of our operations at the Chharodi Plant to the Dahej Plant. Our lower production levels coupled with higher raw material prices for certain products impacted our profitability for this segment. As a result, the Group’s Gross Profit from the Agrochemical segment in FY 2013 decreased by 28.9% to ₹ 366.4 million while our margin dipped from 13.0% to 10.8%. Notably, we have completed the relocation to the Dahej Plant and expect to see some improvements in revenue once our operations there are stabilized.

Our Pigment segment experienced a significant 41.4% revenue reduction in the domestic market, caused by a drop in quantity sales of CPC Blue and PG7. Fortunately, this was partially offset by a 10.6% revenue increase in the export market driven by the increase in quantity sales of Alpha Blue and Beta Blue. As such, our gross profit of Pigment declined by 23.8% yoy to ₹ 447.7 million while our margin of Agrochemical slipped from 22.1% to 17.2% in FY 2013.

Meanwhile, the revenue increase from Caustic Chlorine was mainly driven by a 25.3% increase in domestic sales, underpinned by higher sales quantity of our value added product Caustic Soda flake, as well as buoyant average selling prices in FY 2013. Backed by this, our gross profit for this segment saw an impressive surge of 82.8% to ₹ 998.6 million while our margin was boosted from 23.4% to 34.6% in FY 2013.

Our domestic market of India remained our largest revenue contributor in FY 2013, accounting for ₹ 4.3 billion or 41.0% of the Group’s total revenue. North America accounted for the next biggest share of the revenue pie of ₹ 2.5 billion or 24.2%. The remaining regions accounted for the following share of revenues – Asia at 11.1% (₹ 1.1 billion), Europe at 9.3% (₹ 963.7 million), South America at 9.3% (₹ 963.2 million), Africa at 3.8% (₹ 399.2 million) and Australia at 1.4% (₹ 148.5 million).

Industry Outlook:-

Globally, the agrochemical industry is expected to grow at a moderate rate of 5.4% annually over next five years (2012-2017) to US$ 262 billion in 2017. Amongst others, a large untapped market, shrinking of arable land in recent years, increasing demand for food grain production and increasing population are the anticipated key drivers behind this growth. In particular, growth will come from developing countries like China, demanding higher crop volumes and better quality produce, as well as Africa, which needs more fertilizers due to its rising soil infertility.

The global pigment market will earn revenues of over US$ 14.7 billion in 2018. The emerging markets of Asia are expected to experience the strongest and fastest growth in terms of demand for the dye and organic pigments. While China is regarded as the largest single consumer globally, there are also sizeable growth opportunities in our home market of India as well. In particular, the Indian market is expected to enjoy double digit growth in the Paint, Plastics and Inks market. Also, additional market support is expected to come from an increasing demand for environmental-friendly products. Despite their higher prices, demand for organic pigments is expected to surpass that of dyes due to their ability to provide intense bright colours.

CHAIRMAN'S STATEMENT

Business Strategies:-

Despite the positive landscape painted above, we remain vigilant as the Group faces an increasingly competitive global environment. In addition, we are exposed to volatility in the foreign exchange market as well as increases in raw materials prices, which could erode our profitability in FY 2014.

As such, we will remain watchful of exchange rate fluctuations, especially of the Rupee versus the Dollar and maintain our current vertically-integrated production structure to help us control costs as well as reduce supply chain disruptions.

For our Agrochemical business, we plan to launch at least three new generic products in CY 2013 and 2014 and continue our efforts to develop new product formulations. We also plan to obtain new trademark registrations in regulated markets like the USA, Brazil and European Union to aid in the marketing of our products overseas. At the same time, we will continue our focus on R&D to extend our pipeline of potential registrations, which is an important part of our future growth. As part of this strategy, we plan to invest in data generation and registrations, which could then be used in non-regulated markets. To-date, Meghmani has 111 export registrations, made applications for another 628 registrations worldwide, holds 185 registrations with the Central Insecticides Board (CIB), Faridabad and has 26 registered trademarks relating to our corporate identity and products, an improvement over FY 2012.

The Indian agrochemicals market is projected to more than double to US$ 5 billion by 2017. Given the impeccable quality record of Meghmani's products, there is potential for increasing the uptake of agrochemical products among farmers. To better harness the potential in our home market, we intend to increase utilization of our existing plants to raise production levels. To raise and stabilize our output, we intend to enter into strategic long-term tie ups with suppliers of key raw materials. We have also grown our own domestic sales forces to 17 states, from 15 last year, which we believe will go a long way to help the Group achieve better market penetration domestically. We have also employed local staff supported by warehousing facilities at the strategic locations to better cater to the needs of our domestic customers. Further, we plan to leverage on our available economies of scale to produce specialized products at the best possible prices to our customers.

For our Pigment business, the company is at advance stage of setting-up a pigment expansion plant having installed capacity of 650 MT per month to manufacture CPC Blue, 250 MT per month of Beta Blue and 100 MT of Alpha Blue at Dahej SEZ Limited, Dahej. The company has spent ₹ 780 million for expansion.

Even though there are competitors in India offering similar products as us, we are confident that we can compete effectively based on our consistent product quality, strong technical competence, vertically integrated capabilities, strategically located logistics facilities, excellent after-sales service and robust customer relationships.

Acknowledgements:-

On behalf of the Board, I want to thank the management and staff of Meghmani, who have worked hard and dealt with various challenges to maintain our profitable position in FY 2013. 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. Thank you also to our customers for your continued faith in our products and our business partners for your support of our business. Finally, I want to thank our shareholders for the trust and confidence you have given us. We will continue to strive for better results and returns for you.

Jayanti Patel

Executive Chairman

DIRECTORS' REPORT

To,
The Members,
Meghmani Organics Limited

Your Directors have pleasure in presenting Nineteenth Annual report and Audited Statement of Accounts of the Company for the Financial Year ended on 31st March, 2013.

FINANCIAL RESULTS

₹ in Lacs

PARTICULARS	YEAR ENDED ON 31st MARCH, 2013	YEAR ENDED ON 31st MARCH, 2012
Net Revenue from operations	74,974.22	82,209.78
Other Income	1,048.51	951.16
Total Revenue	76,022.73	83,160.94
Profit before Finance Cost & Depreciation	6,326.97	8,434.77
Financial Cost	2,723.64	2,779.92
Depreciation	2,636.07	2,607.83
Profit Before Extra Ordinary Item & Tax	**967.25**	**3,047.01**
Extra Ordinary Item	87.28	0
Profit Before Tax	**879.97**	**3,047.01**
Payment & Provision of Current Tax	66.58	600.00
Deferred Tax Expenses/(Income)	235.14	788.64
Profit After Tax	**578.25**	**1,658.37**
Profit Available for Appropriation	578.25	1,658.37
Transfer to Debenture Redemption Reserve	562.15	825.51
Transfer to General Reserve	0	50.00
Proposed dividend	254.31	254.31
Dividend Tax	43.22	41.26
Balance Carried forward	**(281.43)**	**487.29**

DIVIDEND:-

Your directors have recommended a dividend of ₹ 0.10 per Equity Share on 254,314,211 Equity Shares of ₹ 1/- each fully paid up for Financial year 2012-2013. The dividend will entail an out flow of ₹ 297.53 Lacs including dividend distribution tax. The proposed dividend is tax free in the hands of shareholders. The dividend is declared out of surplus Profit of previous years.

OPERATING RESULTS:-

The Sales Turn over of the Company has decreased by ₹ 7,346.22 Lacs i.e. from ₹ 80,512.89 Lacs in FY 2012 to ₹ 73,166.67 Lacs in FY 2013.

1) **DOMESTIC SALES:-**

The Domestic Sales decreased by ₹ 4,674.94 Lacs (25.22%) i.e. from ₹ 18,426.69 Lacs in FY 2012 to ₹ 13,778.75 Lacs in FY 2013 .

The Domestic Sales of Pigment Division decreased by ₹ 2,618.31 Lacs (41.41%) i.e. from ₹ 6,322.17 Lacs in FY 2012 to ₹ 3,703.86 Lacs in FY 2013.

The Domestic sales of Agro Division decreased by ₹ 2,403.94 Lacs (20.92%) i.e. from ₹ 11,489.18 Lacs in FY 2012 to ₹ 9,085.24 Lacs in FY 2013.

DIRECTORS' REPORT

2) EXPORT SALES :-

The Export Sales decreased by ₹ 2,698.27 Lacs (4.35%) i.e. from to ₹ 62,086.19 Lacs in FY 2012 to ₹ 59,387.92 Lacs in FY 2013.

The Export Sales of Pigment Division increased by ₹ 3,661.35 Lacs (13.91%) i.e. from ₹ 26,320.62 Lacs in FY 2012 to ₹ 29,981.97 Lacs in FY 2013.

The Export Sales of Agro Division decreased by ₹ 3,223.78 Lacs (11.35%) i.e. from ₹ 28,411.69 Lacs in FY 2012 to ₹ 25,187.91 Lacs in FY 2013.

3) OTHER INCOME :-

Other income increased by ₹ 97.35 Lacs. This is due to Mark to Market gain on Derivative.

4) PROFITABILITY :-

Profit Before Tax decreased by ₹ 2,167.04 Lacs i.e. by 71.12% while Profit After Tax decreased by ₹ 1,080.12 Lacs i.e. by 65.13%. The main reasons for decrease in profitability are :-

1. Delay in Clearance from Ministry of Environment and Forests, Delhi for Dahej SEZ Plant
2. Technical bottleneck in setting Agro Division III at Dahej
3. Reduction in Production affecting manufacturing sales
4. Reduction in manufacturing sales affecting the contribution
5. Macro level environment issues
6. Increase in energy cost (Power and Fuel)

INSURANCE:-

The Company's plant, property, equipments and stocks are adequately insured under the Industrial All Risk Policy. The Company also has insurance covers particularly for Product Liability and Public Liability. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

1) ACCIDENT AT ANKLESHWAR :-

A fatal accident had taken place on Saturday, 2nd March, 2013, at our Agrochemical Manufacturing Division situated at Plot No. 5001/B, GIDC Industrial Estate Ankleshwar, Ankleshwar Gujarat, (India), on account of gas leakage. We regret the casualty of three (3) workers. The Workers are covered under Employee State Insurance Scheme and the payment of compensation under the policy is in the process.

2) NEW BETA BLUE PLANT FIRE CLAIM - UPDATE

The Company has lodged the claim of ₹ 2,268.30 lacs. Till date the Company has received the payment of ₹ 1,760.42 lacs by way of on account installments from Oriental Insurance Company Limited, Ahmedabad and sale of debris and salvage.

The assessment for the final claim amount has been completed by the Surveyor and the Company is expecting the final balance claim amount of ₹ 420.60 Lacs. Thereby, the Company has suffered a loss of ₹ 87.28 Lacs on account of fire at New Beta Blue Plant - Panoli.

INVESTMENT – MEGHMANI EUROPE BVBA :-

The Company has invested ₹ 7,97,00,280/- (Equivalent to 1.1 Million Euro) in Meghmani Europe BVBA – Belgium, Europe (which is a wholly owned subsidiary of Meghmani Organics Limited) as an investment to increase its share capital The investment has been made as per the requirements of Belgium Law. Meghmani Europe BVBA is in the process of issuance of share certificates.

DIRECTORS' REPORT

The Company has also invested in Meghmani Finechem Limited by way of Subscribing 5,264,487 Equity Shares of ₹ 10/- each at a premium of ₹ 20/- per share, aggregating to ₹ 157,934,610/- The funds will be utilized by Meghmani Finechem Limited to augment capacity of Caustic Chlorine Plant from 340 TPD to 476 TPD and Power Plant from 40 MW to 60 MW.

FINANCE:- RENEWAL OF WORKING CAPITAL FACILITY:-

During the year under review, the Company has received the renewal sanction of Working Capital Fund based and Non Fund based Credit facilities from State Bank of India under consortium arrangement up to ₹ 37,800 Lacs. To avail the enhancement in facility execution of Security documents are in process.

CREDIT RATING:-

CARE has assigned domestic credit ratings of Care A for Non Convertible Debentures of ₹ 10,000 Lacs issued by the Company. CRISIL has revised its rating outlook on the long-term bank facilities of Meghmani Organics Ltd. to 'Negative' from 'Stable', while reaffirmed the rating at 'CRISILA'. The rating on MOL short-term bank facilities has also been reaffirmed at 'CRISILA1'.

PROJECT:-

PIGMENT – EXPANSION:-

The trial production of CPC Blue plant situated at Plot No. Z 31 & Z 32 of Dahej SEZ Limited, Dahej, Bharuch having installed capacity of 650 Mt. per month has been taken on 20th April, 2013. While the Commissioning of Plant to manufacture Beta Blue - 250 Mt. and Alpha Blue - 100 Mt per month will be over by September, 2013. The Company has spent ₹ 7,800 Lacs for the expansion.

REGISTRATIONS :-

To date, 111 exports registrations have been received and applications for 628 registrations have been made in different parts of the world. The Company has 185 registration of Central Insecticides Board (CIB), Faridabad. The Company has 26 registered Trade Marks.

RESEARCH & DEVELOPMENT:-

The recognized in house Research and Development (R&D) Center of our Chharodi plant 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 ₹ 128.77 Lacs as Research & Development Expenses.

RELATED PARTIES :-

Note 31 to the Financial Statements sets out the nature of transactions with related parties. Transactions with Related Parties are carried out at arm's length. The details of such transactions are placed before the Audit Committee

SUBSIDIARY COMPANIES :-

The Company has following eight subsidiaries.

(1)	Meghmani Energy Limited (MEL)	-	Captive Power Generation
(2)	Meghmani Finechem Limited (MFL)	-	Caustic Manufacturing
(3)	Meghmani Chemtech Limited	-	Manufacturing
(4)	Meghmani Europe BVBA (Europe)	-	Trading Business
(5)	Meghmani Organics USA INC. (USA)	-	Trading Business
(6)	P T Meghmani Organics Indonesia (Indonesia)	-	Trading Business
(7)	Meghmani South Africa (PTY) LTD (South Africa)	-	Trading Business
(8)	Meghmani Overseas FZE - Sharjah - Dubai	-	Trading Business

DIRECTORS' REPORT

COMPLIANCE OF SECTION 212 OF THE COMPANIES ACT, 1956 :-

The Ministry of Corporate Affairs vide General Circular No. 2/ 2011 bearing reference No. 5/12/2007-CL-III dated 08th February, 2011 has granted general exemption to companies from complying with the provisions of Section 212 provided such companies fulfil the conditions prescribed in the circular.

Accordingly, the Board of Directors of the Company has passed the necessary resolution on 30th May, 2013 containing the conditions prescribed in the circular and giving consent to the Board to not to attach the Balance sheet.

Accordingly, the Annual Report 2012- 2013 does not contain the financial statements of our subsidiaries. The audited annual accounts and related information of subsidiaries will be made available to members upon request.

These documents/ details will be available on the Company's website www.meghmani.com and will also be available for inspection by any member of the Company at the Registered Office of the Company at Ahmedabad on any working days except Saturday, between 4.00 p.m. to 6.00 p.m.

In accordance with the requirements of Accounting Standard 21, 23 and 27 issued by Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries have been prepared and the same are annexed to this report.

FIXED DEPOSITS:-

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

ANNUAL LISTING FEE:-

The Company has paid the annual listing fees for the year 2013-2014 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

MANAGEMENT & DISCUSSION ANALYSIS REPORT:-

As per clause 49 of the Listing Agreement with the Stock Exchanges, the Management and Discussion Analysis, is appended to this report.

CORPORATE GOVERNANCE:-

As per Clause 49 of the Listing Agreement the Corporate Governance information is appended to this report. This report also forms part of Singapore Stock Exchange listing requirements.

ENERGY, TECHNOLOGY, AND FOREIGN EXCHANGE:-

The information to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in The Report Of Board of Directors) Rules, 1988, with respect to energy, technology and foreign exchange is annexed separately to form part of this report.

PARTICULARS OF EMPLOYEE :-

There are no employees covered under the disclosure requirements as required by the provisions of Section 217 under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, Hence, no disclosure has been made.

DISCLOSURE OF INFORMATION RELATING TO FOREIGN EXCHANGE OUTGO :-

Disclosure of information relating to Foreign Exchange outgo as required under Rule 2(c) is already given in Note No. 26 of the Audited Annual Accounts.

DIRECTORS' RESPONSIBILITY STATEMENT:-

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm:

DIRECTORS' REPORT

a) that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;

b) that appropriate accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2013 and of the profit of the Company for the year ended on 31st March, 2013;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual accounts have been prepared on a going concern basis.

DIRECTORS :-

Mr. Akthar Shaik, Independent Director on the board of the Company has resigned from the Board to be effective from 11th February, 2013. The Board takes on record his valuable contribution in the growth of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Jayanti Patel, Mr. Ashish Soparkar and Mr. J Vishwanathan retiring by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors seeking 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.

AUDITORS :-

M/s. Patel & Khandwala, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

The Company has received letter from them to the effect of their reappointment, if made, would be within prescribed limit under Section 224 (B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

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 2013 to comply with IFRS requirements. KPMG has offered them selves for re-appointment. They will be appointed as Joint Auditor at the next Annual General Meeting.

COST-AUDITORS

Pursuant to the direction of the Ministry of Corporate Affairs for appointment of Cost Auditor to carry out audit of cost accounts maintained by the Company for insecticides, your directors have appointed M/s. Kiran J. Mehta & Co. Cost Accountants (Firm Registration number 00025) for the year ending on 31st March, 2013.

ACKNOWLEDGMENT

Your directors express their sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants, advisors, stock exchanges and Government authorities for their continued support and co-operation throughout the year.

Your Directors sincerely acknowledges the contribution made by all the employees for their dedicated services to the Company.

For and on behalf of the Board

Place : Ahmedabad **Jayanti Patel**

Date : 30th May, 2013 **Executive Chairman**

ANNEXURE TO THE DIRECTORS' REPORT

A	Energy conservation measures taken	1. Installation of New Cooling Tower
		2. Replacement drive assembly agitators with helical gear boxes to reduce power cost.
		3. Installation of VFD, Power Factor improvement device, Voltage regulator for lighting circuit, high efficiency motor.
B	Additional investments and proposals if any being implemented for reduction of consumption of energy	Not Applicable
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.	Not Known
D	Total energy consumption and energy consumption per unit of production	As per Annexure – A

FORM A

Form for disclosure of particulars with respect to conservation of Energy

Particulars			2012-13	2011-12
A	Power Consumption			
1	Electricity Consumption			
(a)	Purchase			
	Unit	KWH	23,161,632	12,630,938
	Total Amount	₹	157,326,535	89,718,578
	Rate/Unit	₹	6.79	7.10
(b)	Own Generation through Diesel Generator			
	Unit	KWH	82,595	203,453
	Total Amount		1,318,547	3,571,744
	Cost/Unit	₹	15.96	17.56
(c)	Own Generation through Steam Turbine/Generator			
	Unit	KWH	20,168,711	31,600,812
	Cost / Unit	₹	6.45	4.64
2	Coal (Specify Quality and Used)			
	Stem Generated	(MT)	182,576	152,171
	Consumption of Coal /Lignite	(MT)	18,294	12,991
	Consumption of Fuel Oil	(MT)	-	-
	Gas Consumption	(Cubic Meter)	6,169	6,245
	Cost per Unit	(Kg)	1.54	1.43
	Steam Purchase	(MT)	-	12,334
3	Others/Internal Generations			
B	Consumption per unit of			
	Production	(MT)	22,077	26,810
	Electricity	(₹/MT)	13,078	8,944

ANNEXURE TO THE DIRECTORS' REPORT

2. TECHNOLOGY ABSORPTION

Form–B

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.	Agrochemical – Insecticides Process Improvement & New Product Development Pigment – Beta Blue – NC – NCNF (15.3) & (15.4) Alpha Blue NC – NCNF (15.0) & (15.1)
2	Benefits derived as a result of the above R & D.	The Products are at development stage.
3	Future Plan of Action	To take the product developed at R&D Level to Pilot Plant Level & from there to Plant Level
4	Expenditure on R & D	

Particulars	2012-13 ₹ in Lacs
a. Capital Expenses	22.45
b. Revenue Expenses	106.32
Total (a + b)	**128.77**
c. **Total R & D Expenditure As a percentage of turnover**	**0.18%**

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.

Foreign Exchange Earnings and Outgo

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

For and On behalf of the Board of Directors

Place : Ahmedabad **Jayanti Patel**

Date: 30th May, 2013 **Executive Chairman**

MANAGEMENT DISCUSSION AND ANALYSIS

I. AGROCHEMICALS

1) INDUSTRY STRUCTURE:-

India's agrochemical industry can be divided into producers of technical agrochemicals - the bulk actives - and formulators who compound actives in forms that enable use. The industry is highly fragmented at both levels, with around 125 technical producers and more than 800 formulators, serving a few million farmers through a few thousand retail distributors. Many technical producers are forward-integrated into formulations, unlike in the pharmaceutical industry where there are who make nothing but active pharmaceutical ingredients (APIs).

The industry can also be divided on the basis of ownership. About 10 MNCs with a portfolio comprising patented & generic molecules serve the local markets; compete with a much larger number of domestically-owned companies largely in the generics space and serving local & international markets. The manufacture of technicals is mostly in the hands of the latter, as many MNCs prefer outsourcing of actives from India, or increasingly China.

2) GLOBAL MARKET:-

The global agrochemicals industry experienced robust growth over the last five years but is expected to experience moderate CAGR of 5.4% over next five years (2012-2017) and reach approximately US$ 262 billion in 2017. New product development and innovation at competitive prices are anticipated to drive the agrochemicals industry.

Growth in revenue is expected to be higher than volume, owing to the increasing cost of pesticides. Development and registration of a pesticide active ingredient is one of the biggest components of cost for a pesticide company. Presently, the cost of innovation and registration of an active ingredient is about $200 million, which is a 25% increase from FY 2000.

Developing countries such as China and India are demanding higher crop volumes and nutritious food, which is likely to increase agrochemicals market over the forecast period. Soil infertility is a serious issue across the African continent so, fertilizer usage in Africa is expected to increase in the coming years.

Lucintel's research indicates that in 2011, the industry witnessed good growth due to continuous expansion of developing agriculture based economies in the Asia Pacific (APAC) region. Companies spend extensively on the research and development of new chemicals and improving the performance of the existing ones.

Technologies that increase the efficiency of pesticides and fertilizers products that reduce negative environmental impacts are bound to have significant markets internationally. In Latin America, increased production of crops such as soybeans and sugarcane for animal feed as well as for biofuels drove the growth of agrochemicals consumption during recent years. Available arable land per capita is declining globally. The pressure, therefore, is for the agriculture industry to increase yields per acre, which can be achieved through increased usage of agrochemical products.

As the study indicates, a large untapped market, shrinking of arable land in recent years, increasing demand for food grain production, and increasing population are anticipated to drive the global agrochemicals industry. The industry is expected to face certain challenges such as regulatory standards to reduce toxicity, high inventory, low profit margins, and patent expirations.

The report shows that the global market has been witnessing lot of technological advancements and developments over the past few years. The changing buyers' preferences, stringent environmental regulations, changing weather conditions, increased agricultural trade and improved farming practices are triggering the innovations and research efforts of the industry.

The global market, owing to its significant impact not only on human health, but also on the environment, is a highly regulated market. Major chemicals such as glyphosate (herbicide), atrazine (herbicide) and many others are constantly under review, and face the risk of being phased out.

North America dominates the global herbicide market and has the largest market share in terms of volume and revenue. Europe is the second largest market for herbicides. North America and Europe are mature markets and are dominated by a few major players. To survive intense competition, companies in this region are focused on new product development.

MANAGEMENT DISCUSSION AND ANALYSIS

3) **INDIAN MARKET:-**

The Indian Agrochemical Market is characterized with low capacity utilization. The total installed capacity in FY 2011 was 146,000 Tons and total production was 87,000 Tons leading to a low capacity utilization of 60%.

The demand is also seasonal. India due to its inherent strength of low cost manufacturing and qualified low cost manpower is a net exporter of pesticides to countries such as USA and some European and African Countries. Exports formed 47% of total Industry turn over in FY 2011. India's pesticide market, long stifled by various government controls and poor demand, is projected to more than double to $5 billion by 2017. India is the 13th largest exporter of pesticides and disinfectants in the world, and in terms of volume, is the 12th largest producer of chemicals.

India has raised the level of its export competency with a consistent quality and supply record and possession of a vast unexplored market. Chemicals manufacturers have targeted product awareness campaigns at Indian farmers, as the country's affordability has increased with the cultivation of high-value crops.

Besides increasing in domestic consumption, the exports by the Indian Agrochemicals Industry can be doubled in the next five years if proper strategies and sophisticated technologies are adopted by the industry

India's agrochemicals (Pesticides) consumption is one of the lowest in the world with per hectare consumption of just 0.58 Kg compared to US (4.5 Kg/ha) and Japan (10.8 Kg/ha). (Source 3rd National Agrochemicals conclave 2013)

The demand will also be driven by the rising food grain demand and increasing awareness about pesticide usage among the farmer community. However, threat of illegal, cheap imports from China is ever present and becoming a big factor in performance of local Indian producers.

4) **DIVISION WISE PERFORMANCE OF AGRO BUSINESS**

Particulars **Domestic**	**31st March, 2013** **₹ in Mn**	**31st March, 2012** **₹ in Mn**
Agro - Chharodi (Agro-I)	82.74	689.09
Agro - Ankleshwar (Agro-II)	353.16	329.15
Agro - Dahej (Agro-III)	38.48	23.19
Agro - Panoli (Agro-IV)	434.14	107.49
Total	**908.52**	**1148.92**
Export		
Agro - Chharodi (Agro-I)	522.71	735.99
Agro - Ankleshwar (Agro-II)	1198.51	1311.49
Agro - Dahej (Agro-III)	391.55	404.33
Agro - Panoli (Agro-IV)	406.02	389.36
Total	**2518.79**	**2841.17**
Grand Total	**3427.31**	**3990.09**

5) **OVERVIEW OF THE COMPANY**

The Company has 4 (four) Agrochemical manufacturing facilities situated at

1. Agro – I:- Plot No. 402,403, 404, 452 Vill. Chharodi, Tal. Sanand - Ahmedabad,
2. Agro – II:- Plot No. 5001 B, GIDC Ankleshwar
3. Agro – III:- Plot No. 20, GIDC Panoli, Ankleshwar
4. Agro – IV:- Plot No. CH-1+2/A GIDC Ind. Estate, Dahej, Ta. Vagra,: Bharuch.

The Company produces commonly used pesticides for crop and non-crop applications such as public health, insect control in wood preservation and food grain storage. The Company counts amongst its customers leading pesticide manufacturers from North America, Europe, Latin America, Asia, Brazil, and South Africa.

MANAGEMENT DISCUSSION AND ANALYSIS

The production processes of the Company's Agro businesses are largely vertically integrated. We manufacture some Pesticides Intermediates which are used in the manufacture of our Pesticides Technical. Such vertical integration allows us to effectively manage our raw materials costs and assures us of a constant supply of such raw materials at a consistent quality and consequently, has reduced our reliance on third party suppliers for such raw materials. Past two years have shown highly inconsistent raw material supplies with production sites in both India and China getting afflicted by environmental issues, thereby adversely affecting the production within the Company. The future focus for the Company would be to enter into strategic long-term tie ups with suppliers of key raw materials, as well as contract manufacturing for some important inputs.

6) STRATEGY OF THE COMPANY:-

The focus of the Company for the entire last year was to meet the environmental norms at each of its production sites, the projects for which have now been successfully implemented. For the current year, the concentration of the Company would shift to:

1. Sweating of existing assets at each site & increasing the current production levels
2. Launch of at least 3 new generic products in 2013-14, as well as development of new formulations
3. Registrations in regulated markets
4. Market penetration

At the domestic front, we have our own sales force in Karnataka, Punjab, Andhra Pradesh, Maharashtra, Madhya Pradesh, Rajasthan and Gujarat the list has grown to 17 states now.

We have consciously developed our intellectual property rights in the form of trademarks for our products, as well as our logo and corporate name. Our logo and name, viz. "MOL" and "Meghmani" have been registered as trademarks. The Company has 26 registered Trade Marks.

We believe that our trademarks have significant value and are important to our brand building efforts and aid in the marketing of our products.

For the current year, our focus will be to get new registrations in regulated markets like USA, Brazil and EU. The Company will invest funds in data generation in the current year and in registrations, which could then be used also in non-regulated markets. Being a manufacturer and distributor of existing molecules with expired patents, we consider registrations as crucial. Our focus on research and development has also led to an increase in the number of products developed, which has translated, into numerous applications for registrations for our products.

To date, 111 exports registrations have been received and applications for 628 registrations have been made in different parts of the world. The Company has 185 registration of Central Insecticides Board (CIB), Faridabad.

7) RISKS, CONCERNS AND THREATS - AGROCHEMICALS

Besides international Agrochemical producers, there are competitors in India having similar products as our Company. We compete against our competitors on our quality, technical competence, distribution channels, logistics facilities, after sales service and customer relationships.

We sell our products to customers from various countries in North America, Europe, Central and Latin America, Asia-Pacific, South Africa and Brazil. As a result, our business and future growth is dependent on the political, climatic, economic, regulatory and social conditions of these countries.

Any change in the policies implemented by the governments of any of these countries which result in currency and interest rate fluctuations, capital restrictions, changes in duties and taxes and also registrations regime that are detrimental to our business could adversely affect our operations, financial performance and future growth.

The performance of Agrochemical industry is dependent on monsoon. The erratic rainfall affect the crop acreages, pest application and overall productivity directly affect the sales.

MANAGEMENT DISCUSSION AND ANALYSIS

Adverse Dollar / Rupee exchange rate could also impact revenues as well as costs in the foreseeable future. The increase in crude prices has an impact on the costs and prices of various products.

The Company has relocated its Agro chemical Plant from Village Chharodi, Taluka Sanand, District :- Ahmedabad to Agro Division – III situated at GIDC Dahej, Taluka Vagra:- District : Bharuch. The relocation process has been completed in 2012-13. The turnover and profitability of Agro Division of the Company has affected due to the same.

II. PIGMENT :-

The Company is engaged in the manufacturing and exports of phthlocyanine pigments and its derivatives. Pigments are industrial chemicals which are used as coloring agents and find varied application in printing inks, plastics, paints, textiles and papers. Pigments are broadly classified into Organics and Inorganic Pigments. Colured Organic Pigment business is estimated to be close US$ 6 billion market, of which Phthlocyanine, Azo and High Performance Pigment are main areas. In case of Phthlocyanine pigments, market size is in the range of 20% i.e. about US$ 1 to 1.25 billion in size.

1) INDUSTRY STRUCTURE:-

The global pigments market revenues are expected to reach US$ 14.7 billion in 2018, growing at a CAGR of 4.5% from 2013 to 2018. In terms of volumes, pigments demand is expected to reach 4.4 million tons by 2018. Specialty pigments market is expected to have fastest growth potential among the global pigments market, growing at a CAGR of 5.4% during the analysis period. Availability of large variety of products and ability to encompass high and unique visual effects is primarily fueling the growth of the specialty pigments market.

Specialty pigments are expected to be the most promising product segment, and are estimated to grow at a CAGR of 4.7% from 2013 to 2018. Under growing regulatory pressure, specialty and organic pigments are being increasingly investigated for substitution potential over their inorganic counterparts.

The paints & coatings industry continues to take away major share of the global pigments market, accounting for 38.5% of the overall end user market. This is mainly due to growth in this industry along with the preference of consumers towards unique optical effect colors in certain segments such as automobiles. The global paints and coatings end use market is projected to grow at a CAGR of 5.1% during the forecast period.

2) ASIA PACIFIC REGION TO REMAIN FASTEST GROWING:-

Asia Pacific was the largest regional market for pigments, accounting for 40.7% of global demand in 2011. Major factors fuelling the growth of the Asia Pacific market is increasing spending capacity of consumers along with preference for high end products with attractive packaging. The Asia Pacific pigments market revenue is expected to reach market size of over US$ 6.4 billion by 2018.

3) ORGANIC PIGMENT DEMAND OUTPACE DYE CONSUMPTION:-

Growth in dye consumption will trail increases in organic pigment demand, although dyes will continue to represent the lion's share of the overall market both in volume and value. Among the different dye product types, disperse dyes are expected to see the most rapid gains, due to their usage in the fast growing polyester fiber industry. For their part, organic pigments find increasing use in inks and coatings due to their ability to provide intense and bright colors. However, drawbacks to the use of organic pigments include their generally higher price points than those of inorganics and their only moderate ability to provide opacity. The best prospects are for high-performance products such as quinacridones, which will experience favourable gains as end users require more exacting properties from their coloring agents while specialized pigment grades will offer good opportunities due to their enhanced environmental acceptability and superior performance characteristics, classical or conventional grades are expected to continue to dominate the organic market. These relatively lower priced commodity organic pigments will remain widely employed in large-volume markets with less exacting performance standards for colorants, such as printing inks.

Demand and production of pigments are continually shifting from the USA, Western Europe and Japan to the emerging markets of Asia, especially China and India. This is mainly because of lower wages. Within emerging countries, especially India and China, themselves, domestic demand for consumer products containing pigments is growing. While a few large suppliers of pigments dominate the relatively saturated markets of industrialized countries, Asian markets remain fragmented.

MANAGEMENT DISCUSSION AND ANALYSIS

4) **INDIAN MARKET:-**

The Size of Indian Colorants industry is $ 3.4 billion in Fy 2011 with exports accounting for 68%. Pigment Consumption in India stood 700,000 tons in 2011 of which 115,000 tons was for color and special effect. Out of total Pigment consumption 47% accounts for Ink, 24% Coatings, 10% textiles, 10% Plastics and 9% Others.

5) **DIVISION WISE PERFORMANCE OF PIGMENT BUSINESS:-**

Particulars Domestic	FY 2012-2013 ₹ in Mn	FY 2011-2012 ₹ in Mn
Pigment – Vatva	52.65	96.42
Pigment – Panoli	317.74	535.80
Total	**370.39**	**632.22**
Export		
Pigment – Vatva	1473.33	1229.28
Pigment – Panoli	1524.86	1402.78
Total	**2998.19**	**2632.06**
Grand Total	**3368.58**	**3264.28**

6) **OVER VIEW OF THE COMPANY:-**

We have two dedicated manufacturing facilities for the manufacture of our Pigment products, one is located at GIDC Vatva, Ahmedabad where we manufacture our Pigment Green 7 products and the other is located at GIDC Panoli, near Ankleshwar where we manufacture our CPC Blue and Alfa and Beta Blue Pigment Blue 15 products.

7) **STRATEGY OF THE COMPANY:-**

We are one of the largest Pigment manufacturing sites in the world. We would like to offer specialized products to our customers at the best possible price leveraging on economies of scale. Our mid-term focus is to introduce range of Pigments for ever growing coatings and plastics industries.

We are also benefiting from growth of India and equally focusing on Indian domestic market. Indian market is expected to grow double digit for consumption of Paint, Plastics and Inks. To serve our newly added domestic customers, we have employed local staff supported by warehousing facilities at the strategic locations.

8) **PIGMENT - EXPANSION:-**

During the year, Ministry of Commerce and Industry, Office of the Development Commissioner, Dahej Special Economic Zone, Ahmedabad, vide their letter No. KASEZ-DCO/03-MOL/08-09 VOL-II dated 25th November, 2011 approved change of name of entrepreneur from Meghmani Chemtech Limited to the Company. The ownership of project of Meghmani Chemtech Limited situated at Plot No. Z 31 & Z 32 of Dahej SEZ Limited, Dahej, Bharuch has been transferred to Meghmani Organics Limited.

The Project cost of the Pigment expansion is estimated to be of ₹1150 Mn. Till date the Company has spent ₹ 780 Mn for the expansion.

9) **RISKS, CONCERNS AND THREATS – PIGMENTS:-**

Increasing demand for paints and coatings, particularly from key end-use industries such as construction, is expected to drive demand over the next five years. Fluctuating and volatile prices of key raw materials including benzene and toluene coupled with an increasingly stringent regulatory environment are critical challenges to this industry

There are competitors in India having similar products as our Company. We compete against our competitors on our quality, technical competence, backward integration, logistics facilities, after sales service and customer relationships. The Chinese manufacturers have put up large scale plants for pigments and hence to compete with them is very difficult.

The Company specializes in the manufacture of green and blue pigment products that span multiple applications such as printing inks, plastics, paints, textiles, leather and rubber. Its pigment customers comprise mainly MNCs who are leading players in their respective industries.

MANAGEMENT DISCUSSION AND ANALYSIS

The production processes of our Pigments businesses are vertically integrated. We manufacture CPC Blue which is the primary raw material required in the manufacture of our Pigment Green and Pigment Blue products. Such vertical integration allows us to effectively manage our raw materials costs and also ensures consistent quality of inputs.

Recessionary conditions in western markets may affect export of Pigments. Raw material prices are also showing signs of rising.

There is a great deal of volatility of the rupees vis-à-vis dollar and the Euro which may affect realization.

10) INTERNAL CONTROL SYSTEM:-

The Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operation to ensure that all the assets are safeguarded and protected against unauthorized use or disposition, true and fair reporting and compliance with all the applicable regulatory laws and company policies. Internal Auditors reviews the internal control systems on a regular basis for its effectiveness and necessary changes are suggested which are incorporated into the system. Internal Audit Reports are reviewed by the Audit Committee of the Board.

The Audit Committee also meets the Head - Internal Audit and Statutory Auditors separately to ascertain their views on the adequacy and efficacy of internal control systems.

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

Particulars	FY 2012-2013	FY 2011-2012
Sales Growth	-9.12%	-4.67%
Profit before Depreciation, Interest and Tax (₹ Mn)	632.70	843.77
Profit Before Tax (₹ in Mn)	88.00	304.70
Profit After Tax (₹ Mn)	57.82	165.84
Debt / Equity Ratio	0.21	0.25
ROE	1.08	3.15
Earning Per Share	0.23	0.65
Book Value Per share	21.01	20.73

★ ★ ★

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of Corporate Governance (hereinafter "the Code") through Clause 49 in the Listing Agreement executed by the Company with stock exchanges. The Code has been periodically upgraded to ensure the adoption of best Corporate Governance practices by the corporate. This report sets out the details of Corporate Governance systems and processes of the Company, as set out in Clause 49 and some of the practices followed by the Company on Corporate Governance, for the financial year ended 31st March, 2013.

1. The Company's Philosophy on Code of 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.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchange. While in Singapore, Corporate Governance for listed companies is regulated through Code of Corporate Governance 2005.

The Company has complied with the requirements of the Corporate Governance in terms of Clause 49 of the Listing Agreement executed with Indian Stock Exchanges and Code of Corporate Governance 2005 prescribed under Singapore Listing Agreement.

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

(i) Composition :-

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As on date, the Board of Directors comprises of 9 Directors, of which 4 (46%) are Non-Executive Independent. The numbers of Executive Directors are 5 (56%) of which the Chairman is Executive and a Promoter of the Company.

Mr. Akthar Shaik resigned from the Board on 11th February, 2013 As a result, the Board is not in compliance with Clause 49 I (A) of the Listing Agreement.

To comply with the requirement Clause 49 I (A) of the Listing Agreement of fifty percent of the Board of Directors comprising of non-executive directors, the Board has decided to make appointment of a new Director in place of Mr. Akthar Shaik, under Clause 49 (c) (II) of the Listing Agreement within a period of 180 days from the date of resignation by Mr. Akthar Shaik. The Board is in Process of identifying a suitable candidate to be appointed in the Board.

The Composition of Board of the Company is complying with the requirements of *Singapore Stock Exchange Listing Guidance Note 2.1. The Singapore Stock Exchange has exempted the Company from the requirements of two resident directors on the Board.*

Name of Director	Designation	Category	Directorship in other Public Limited Companies	Committee Membership of other Companies
Mr. Jayanti Patel	Executive Chairman	Executive	4	Nil
Mr. Ashish Soparkar	Managing Director	Executive	5	Nil
Mr. Natwarlal Patel	Managing Director	Executive	9	Nil
Mr. Ramesh Patel	Executive Director	Executive	7	Nil
Mr. Anand Patel	Executive Director	Executive	5	Nil
Mr. Chinubhai R Shah	Independent Director	Non- Executive	13	5
Mr. Balkrishna T Thakkar	Independent Director	Non - Executive	Nil	Nil
Mr. Jayaraman Vishwanathan	Independent Director	Non – Executive	1	Nil
Mr. K H Patel	Independent Director	Non – Executive	1	Nil
Mr. A G Shaik *	Independent Director	Non - Executive	Nil	Nil

* Resigned on 11th February, 2013

As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies or membership of committees of the Board (Audit/Investor Grievance Committees) in excess of 10 or chairmanship of committees of the Board, as aforesaid in excess of 5.

(ii) Number of Board meetings held, dates on which held and attendance of each director at the Board meeting and last AGM,

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 intervening period between two Board meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement with Stock Exchanges.

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.

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 following are generally tabled for information and review of the Board.

- Quarterly results of the Company and operating divisions or business segments.
- Minutes of meeting of Audit Committee.
- Materially important show cause Notice, demand prosecution and penalty notices.
- Any materially significant effluent or pollution problems.
- Any material relevant default in financial obligations to and by the Company or substantial non payment by the customer for goods sold.
- Details of any joint venture or collaboration agreement.
- Transaction that involves substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problem and their proposed solutions. Any significant development on the Human resources /Industrial relations front like signing of a wage settlement.
- Foreign exchange exposures and steps taken by management to limit the risks.
- Any fatal or serious accident.
- Any issue which involves Public liability.
- Sale of material nature of investments, subsidiary assets which are not normal course of business.
- Non compliance of any regulatory, statutory or listing requirements.

Post Meeting Follow-up Mechanism

The Company has an effective post meeting followup, 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:

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to the members for their comments.

Compliance:

While preparing the Agenda adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 1956 read with the Rules made there under. The Board periodically reviews all statutory compliance reports of all laws applicable to the Company.

During the financial year ended on 31st March, 2013 five meetings of the Board of Directors were held and the gap between two meetings did not exceed four months. The Board meetings were held on: 25.05.2012; 30.07.2012; 02.11.2012, 11.02.2013 and 23.02.2013. The last Annual General Meeting was held on 30th July, 2012.

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	5	Yes
Mr. Anand Patel	Executive Director	5	Yes
Mr. Chinubhai R Shah	Independent	5	Yes
Mr. Balkrishna T Thakkar	Independent	5	Yes
Mr. Jayaraman Vishwanathan	Independent	3	No
Mr. K H Patel	Independent	3	Yes
Mr. A G Shaik	Independent	1	No

COMMITTEES OF THE BOARD

Currently, there are four Board Committees:–

(1) Audit Committee,
(2) Remuneration Committee,
(3) Shareholders'/Investors' Grievance and Share Transfer Committee
(4) Nominations Committee

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 Composition of Committee:-

The Audit Committee comprises of three Independent Non Executive Directors. Mr. Balkrishna T Thakkar is the Chairman of the Committee.

3.2 Meeting and Attendance :-

The Committee met four times during the year on 25.05.2012; 30.07.2012; 02.11.2012 and 11.02.2013

Name of the Director	Category of directorship	Qualification	No. of meetings attended
Mr. Balkrishna T. Thakkar	Chairman - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	4
Mr. Chinubhai R. Shah	Member- Independent Director	MA LLM FCS	4
Mr. Jayaraman Vishwanathan	Member - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	3

In addition to the above, the Committee meetings were also attended by, Vice President (Finance & Accounts), Statutory Auditors and Internal Auditors. Mr. K. D. Mehta, Company Secretary, acts as the Secretary to the Audit Committee.

The Committee acts as a link between the management, auditors and the Board and has full access to financial information.

3.3 Terms of Reference :-

The terms of reference of the Audit Committee are as set out in Clause 49 of the Listing Agreement with the Stock Exchanges, under the Companies Act and with any other applicable laws. The Audit Committee reviews the financial statements of all Subsidiaries of the Company and also perform the following functions:

(a) to review the audit plan and Company's external auditors report;

(b) to review the co-operation given by the Company's officers to the external auditors;

(c) to review the financial statements of the Company before their submission to the Board;

(d) to review the scope and results of internal audit procedures;

(e) to nominate external auditors for re-appointment;

(f) to review interested person transactions; and

(g) to generally undertake such other functions and duties as may be required by statute or by the Listing Manual and by such amendments made thereto from time to time.

4. Remuneration Committee

4.1 Composition of Committee:-

The remuneration committee comprises of two Independent Non Executive Directors and one Executive Director. Mr. Chinubhai R Shah is the Chairman of the Committee. Mr. K. D. Mehta, Company Secretary, acts as the Secretary of the Remuneration Committee.

4.2 Meetings and attendance during the year:-

The Committee met on 25th May, 2012 particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings attended
Mr. Chinubhai R Shah	Chairman - Independent Director	1
Mr. Balkrishna T Thakkar	Member - Independent Director	1
Mr. Natwarlal Patel	Member - Executive Director	1

4.3 Terms of Reference:-

The role of the Remuneration Committee is to facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.

The Remuneration Committee will recommend to the Board a framework of remuneration for the Directors and determine specific remuneration packages for each Director.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting any resolutions in respect of his remuneration package.

4.4 Remuneration Policy:-

The Non Executive Directors of the Company are paid by way of sitting fees. There is no other pecuniary relationship or transaction by the Company with Non Executive Directors.

The Company pays remuneration to its Executive Chairman, Managing Directors and Executive Directors by way of Salary, perquisites and bonus. The remuneration is approved by the Board and is within the over all limits approved by the shareholders.

4.5 Details of remuneration to all the Directors:-

Particulars of Remuneration of Directors for the year ended 31st March, 2013:

₹ in lacs

Name of Director	Salary
Mr. Jayanti M Patel	4,800,000
Mr. Ashish Soparkar	4,800,000
Mr. Natwarlal Patel	4,800,000
Mr. Ramesh M Patel	4,800,000
Mr. Anand I Patel	4,800,000
Total	**24,000,000**

The Profit was not adequate in FY 2012 to conform the remuneration paid to Working Directors. The application was made to Central Government to regularize the remuneration paid to Working Directors in FY 2012.

During the year, the Company has received approval from Central Government regularizing excess remuneration paid to Mr. Ramesh Patel and Mr. Anand Patel, while the approval of Mr. J. M. Patel, Mr. A. N. Soparkar and Mr. N. M. Patel are awaited.

In FY 2013, the Company has paid minimum remuneration of ₹ 400,000/- per month (₹ 4,800,000/- per annum) as per Schedule XIII of the Companies Act, 1956 to Mr. J. M. Patel, Mr. A. N. Soparkar, Mr. N. M. Patel, Mr. Ramesh Patel and Mr. Anand Patel.

Particulars of sitting fees paid to Directors for the year ended 31st March 2013:

Name of Independent Director	Sitting Fees ₹
Mr. Chinubhai R. Shah	225,000
Mr. Balkrishna T. Thakkar	225,000
Mr. Jayaraman Vishwanathan	90,000
Mr. K H Patel	45,000

5. Shareholders'/Investors' Grievance and Share Transfer Committee

5.1 Composition of Committee:-

The Committee comprises of two Independent Non Executive Directors and One Executive Director. Mr. Chinubhai R. Shah is the Chairman of the Committee. Mr. K. D. Mehta the Company Secretary acts as Secretary of the Shareholders' / Investors' Grievance and Share Transfer Committee.

5.2 Meetings and attendance during the year:-

The Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee meetings were held on 12.05.2012; 30.07.2012; 02.11.2012 and 11.02.2013.

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

Terms of Reference:-

The current terms of reference of the Committee are as follows:

i. To allot the 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 declared 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.

5.4 Details of shareholders' Complaints

Detail of Complaints received	Nos.
Number of Shareholders' Complaints received From 01.04.12 to 31.03.2013	3
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2013	0

6. Nominating Committee

6.1 Composition of Committee:-

The Nominating Committee comprises of two Independent – Non Executive Director and one Executive Director. Mr. Chinubhai R Shah is the Chairman of the Committee. The Company Secretary, Mr. K. D. Mehta Company Secretary acts as the Secretary of the Nominating Committee.

6.2 Meetings and attendance during the year:-

The Committee met on 12.05.2012. The particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings attended
Mr. Chinubhai R Shah	Chairman - Independent Director	1
Mr. B.T. Thakkar	Member - Independent Director	1
Mr. Jayanti Patel	Member – Executive Director	1

6.3 Terms of Reference :-

The Nominating Committee aims at establishing a formal and transparent process for the appointment and re-election of Directors. The Nominating Committee is responsible for:

i. re-nomination of our Directors having regard to the Director's contribution and performance;
ii. determining annually whether or not a Director is independent; and
iii. deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Nominating Committee will decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term shareholders' value.

The Chairman of Nominating Committee has already initiated the process for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director.

7. **General Body Meeting:-**

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 has been passed last year through Postal Ballot. At present the Company has not proposed any special resolution through postal ballot.

Financial Year	Category- Date and Time	Venue	Special – Resolutions passed
2010	Annual General Meeting 28th July, 2010 at 10.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr.Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Appointment of Mr. Akthar Shaik as Independent Director 2. Re-appointment of Mr. Ashvin Raythatha as Executive Director (International Marketing) 3. Revision in Salary of Ms. Deval Soparkar 4. Appointment of Mr. Ankit Patel - Manager-Agro Business
2011	Annual General Meeting 29th July, 2011 at 10.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. To exercise borrowing powers not exceeding Rs. 1000 Crore under Section 293 (1) (d) of the Companies Act, 1956 2. To create mortgage charge under Section 293 (1) (a) of the Companies Act, 1956 not exceeding Rs. 1000 Crore
2012	Annual General Meeting 30th July, 2012 at 9.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. To increase the existing ceiling of remuneration payable to Ms. Deval Soparkar, Mr. Ankit Patel and Mr. Karana Patel as per Director' Relatives (office or Place of Profit) Rules 2003. 2. Appointment of Mr. Darshan Patel to hold office or place of profit. 3. To make loans and /or to make investments in excess of limits prescribed under Section 372 A

8 **Disclosures :-**

8.1. **Disclosure of Material Transactions:- Related Party Transaction**

There were no materially significant transactions with promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large. A disclosure of all related party transactions has been made in the Schedule No.31 Notes to the accounts of this Annual Report.

8.2. **Instances of Non Compliance :-**

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

8.3. Non Mandatory requirements:-

The Company is complying with all the mandatory requirements laid down by Clause 49 of the Listing Agreement. In addition the Company has also complied with Non Mandatory requirements which have been disclosed at the relevant places.

8.4. Accounting Treatments :-

The Company has adopted accounting treatments which are prescribed by the Accounting Standard.

8.5. Corporate Governance of Subsidiaries :-

The subsidiaries of the Company are managed by experienced Board of Directors. The minutes of the subsidiaries are reviewed by the Board of Directors. Subsidiary Company's Financial Results are also tabled before the Company's Board on quarterly basis.

Meghmani Finechem Limited is a material non listed Indian subsidiary company. Two independent directors of Meghmani Organics are on the Board of Meghmani Finechem Limited.

8.6. CEO/CFO Certification:-

The Managing Director and Chief Financial Officer Mr. Ashish Soparkar, have certified to the Board with respect to the financial statement, internal controls and other matters as required by Clause 49 of the Listing Agreement with the Stock Exchanges.

8.7. 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 Clause 49 of the Listing agreement with Stock Exchanges which forms part of this report.

8.8. Report on Corporate Governance:-

This Chapter read with the information given in the section titled Additional Shareholders' information constitutes the compliance report on Corporate Governance. The declaration by Mr. Ashish Soparkar, Managing Director to that effect forms part of this report.

8.9. 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.

8.10. Management Discussion and Analysis Report:-

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

8.11. 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.

8.12. Disclosures regarding Re-appointment of Directors

As per the Articles of Association of Meghmani Organics Limited, 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.

8.13. Equity shares in Suspense Account

As per Clause 5A (I) of the Listing Agreement, 2100 Equity shares of ₹ 1/- each are lying in the suspense account which 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.

9 Means of Communication

9.1 The Unaudited quarterly/half yearly financial statements are announced within one month of the end of the quarter. The aforesaid financial statements 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 The audited annual results are announced within sixty days from the end of the end of the last quarter i.e. 31st March to meet with Singapore Listing requirements. The audited annual financial results were announced on 30th May, 2013. 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 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 2012-13 to those members whose email ids were registered with the Depository Participants (DPs) after informing them suitably.

9.4 Outstanding Singapore Depository Receipt Shares:

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

As on 31st March, 2013 102,456,300 SDSs each of ₹ 0.50 paise representing 51,228,150 Equity Shares of ₹ 1/-each is outstanding. The conversion of SDSs in to Equity shares will not have any impact on paid up capital or cash position of the Company.

9.5 The presentations prepared by the Company are also submitted to the Singapore stock Exchange and placed on the website www.meghmani.com

9.4 Official news releases, presentation made to media etc. are displayed on the Company's website www.meghmani.com . News Releases are also sent to Stock Exchanges.

9.5 Reminders for Unpaid dividend and unclaimed IPO refunds are sent to the shareholders as per records every year.

10 General Shareholder Information :-

I. Annual General Meeting :-

Date	**Tuesday, 30th July, 2013**
Venue	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad
Time	9.30 a.m.
Last date of receipt of Proxy	Saturday 27th July, 2013 (before 10.00 a.m.)
Posting of Annual Report	02nd July, 2013

II. Financial year :-

The financial year of the Company is from 01st April to 31st March. The Board meetings for approval of Quarterly financial results during the year ended 31st March, 2013 were held on the following dates:-

Financial Calendar 2012-2013

First Quarter Results	30th July, 2012
Second Quarter and Half yearly results	02nd November, 2012
Third Quarter Results	11th February, 2013
Fourth Quarter & Annual Results	30th May, 2013

Financial Calendar 2013-2014

First Quarter Results -30.06.2013	Within 45 days from the close of quarter
Second Quarter Result - 30.09.2013	Within 45 days from the close of quarter
Third Quarter Results - 31-12-2013	Within 45 days from the close of quarter
Fourth Quarter - 31-03-2014	Within 60 days from the close of quarter

III. Date of Book Closure :-

Book Closure dates	Monday 22nd July, 2013, to Monday 29th July, 2013

IV. Dividend payment :-

The Board of Directors at their meeting held on 30th May, 2013 recommended a final dividend of ₹ 0.10 per equity shares of the face value of ₹ 1/- each for the financial year 2012-2013, subject to approval of the shareholders.

Final dividend, if approved by the shareholders will be paid within the prescribed statutory period.

V. 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
Bombay Stock Exchange 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 2013-2014 has been paid to the above stock exchanges.

Listing details of Debenture Holder:-

Name of Stock Exchange	Address
National Stock Exchange of India Limited	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

VI. Stock code :-

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

The ISIN allotted to the Company's Non Convertible Debentures of ₹ 1, 00,000/- each for Four years of Series – I and Five years of Series – II respectively are INE974H07010 and INE974H07028.

VII. Share Market Price data:-

The Monthly high and Low prices and volumes of Meghmani Organics Limited (MOL) share at National Stock Exchange (India) Limited (NSE) and Bombay Stock Exchange Limited for the year ended on 31st March, 2013 are as under :-

National Stock Exchange:-

Month	MOL Share Price			No. of shares traded during the month	Turn Over ₹ in lacs
	High ₹	Low ₹	Close ₹		
April – 2012	8.40	7.25	7.55	1,366,234	108.46
May – 2012	8.25	6.45	6.95	853,823	61.11
June – 2012	8.00	6.60	7.00	870,368	60.81
July – 2012	8.90	6.90	8.55	1,525,751	126.79
August – 2012	9.60	8.00	8.15	1,327,597	113.90
September – 2012	8.95	8.15	8.25	1,127,822	98.43
October – 2012	9.45	7.40	8.15	1,238,945	107.47
November – 2012	8.80	7.15	7.55	1,100,284	85.79
December – 2012	8.20	7.00	7.10	1,718,007	126.11
January – 2013	7.55	6.85	6.95	1,419,037	101.05
February – 2013	7.20	5.95	6.00	955,172	62.49
March – 2013	6.35	5.30	5.50	1,804,082	110.75
TOTAL				**15,307,122**	**1,163.16**

Bombay Stock Exchange:-

Month	MOL Share Price			No. of shares traded during the month	Turn Over ₹ in lacs
	High ₹	Low ₹	Close ₹		
April – 2012	8.49	7.37	7.55	861,648	66.82
May – 2012	7.73	6.5	6.93	599,026	42.92
June – 2012	7.30	6.6	6.97	469,215	32.73
July – 2012	9.15	7.01	8.54	716,080	59.17
August – 2012	9.50	8.01	8.16	679,562	58.11
September – 2012	8.80	7.22	8.26	606,146	50.79
October – 2012	9.39	8.06	8.19	777,271	67.99
November – 2012	8.85	7.20	7.50	698,379	54.70
December – 2012	8.19	7.00	7.02	783,769	58.16
January – 2013	7.55	6.50	6.89	940,462	66.83
February – 2013	7.15	6.00	6.00	529,721	34.83
March – 2013	6.60	5.41	5.50	731,376	43.31
TOTAL				**8,591,824**	**649.28**

VIII. Registrar and Transfer Agent :-

The Company in compliance with SEBI guidelines 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 Transfer Agents 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 Shareholders' / Investors' Grievance and Share Transfer Committee.

X. Distribution of Shareholding : 31st March, 2013

Category	Shareholders		Shares of ₹ 1/- each	
	Number	Percent	Number	Percent
1-500	43,367	72.67	10,760,933	4.23
501-1,000	8,326	13.95	7,311,718	2.88
1,001-2,000	3,918	6.57	6,299,615	2.48
2,001-3,000	1,338	2.24	3,530,843	1.39
3,001- 4,000	569	0.95	2,085,572	0.82
4,001- 5,000	636	1.07	3,070,974	1.21
5,001-10,000	780	1.31	5,929,074	2.33
10,001- & ABOVE	740	1.24	215,325,482	84.66
Total	**59,674**	**100.00**	**254,314,211**	**100.00**

Share holding pattern : 31st March, 2013

Category	No. of shares	Value of shares	Percent
CLEARING MEMBER	779,386	779,386	0.31
OTHER BODIES CORPORATE	6,280,026	6,280,026	2.47
FOREIGN COMPANY	3,238,023	3,238,023	1.27
FOREIGN INST. INVESTOR	3,082,629	3,082,629	1.21
SINGAPORE DEPOSITORY RECEIPTS	51,228,150	51,228,150	20.14
NON RESIDENT INDIANS	983,802	983,802	0.39
NON RESIDENT (NON REPAT.)	181,071	181,071	0.07
PUBLIC	61,121,171	61,121,171	24.04
PROMOTERS	93,954,963	93,954,963	36.94
RELATIVES OF DIRECTOR	33,454,987	33,454,987	13.16
TRUSTS	10,003	10,003	0.00
TOTAL	**254,314,211**	**254,314,211**	**100.00**

XI. Dematerialization of Shares and Liquidity Distribution: 31st March, 2013

Share Capital	No. of shares	%
Listed Capital	254,314,211	100.00
Held in Dematerialized form :-		
National Depository Limited	227,132,886	89.31
Central Depository Limited	26,931,150	10.59
Held in Physical Form	250,175	0.10
TOTAL	**254,314,211**	**100.00**

DISTRIBUTION OF SINGAPORE DEPOSITORY SHARES ("SDS") HOLDERS BY SIZE OF SDS HOLDINGS AS AT 10th JUNE, 2013

Size of SDS	SDS Shareholders		No.of SDS of ₹ 0.50/- each	
	Number	Percent	Number	Percent
1 - 999	5	0.78	1,302	-
1,000 - 10,000	246	38.62	1,553,000	1.52
10,001 - 1,000,000	376	59.03	29,891,200	29.17
1,000,001 AND ABOVE	10	1.57	71,010,798	69.31
TOTAL	**637**	**100.00**	**102,456,300**	**100.00**

TWENTY LARGEST SINGAPORE DEPOSITORY SHARES ("SDS") HOLDERS AS AT 10th JUNE, 2013

Sr. No.	NAME OF SDS HOLDER	NO. OF SDS	%
1	ELECTRA PARTNERS MAURITIUS LIMITED	28,389,320	27.71
2	CITIBANK NOMINEES SINGAPORE PTE LTD	9,960,380	9.72
3	WATERWORTH PTE LTD	9,500,000	9.27
4	RAFFLES NOMINEES (PTE) LTD	6,374,000	6.22
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,025,000	4.90
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,834,000	3.74
7	HSBC (SINGAPORE) NOMINEES PTE LTD	3,145,000	3.07
8	OCBC SECURITIES PRIVATE LTD	2,199,098	2.15
9	MAYBANK KIM ENG SECURITIES PTE LTD	1,384,000	1.35
10	TEO CHIANG SONG	1,200,000	1.17
11	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	1,000,000	0.98
12	LEOW SAU CHING HELENA	1,000,000	0.98
13	PHILLIP SECURITIES PTE LTD	901,000	0.88
14	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	800,000	0.78
15	SEE BENG LIAN JANICE	800,000	0.78
16	BANK OF SINGAPORE NOMINEES PTE LTD	714,000	0.70
17	LEOW ON CHU	700,000	0.68
18	LIM LENG CHYE	700,000	0.68
19	TAN HENG WAN	673,000	0.66
20	CHAN SIEW LIAN ANGELINE	649,000	0.63
	TOTAL	**78,947,798**	**77.05**

Independent Directors shareholding:-

Particulars of Equity Shareholding of Independent Directors : 31st March, 2013:

Name of Independent Director	No. of Equity Shares of ₹ 1/- each
Mr. Chinubhai R. Shah	1,000
Mr. Balkrishna T. Thakkar	539,332
Mr. Jayaraman Vishwanathan	Nil
Mr. K H Patel	Nil

XII. Outstanding Singapore Depository Receipts :

153,165,300 Singapore Depository Shares were issued under Depository mechanism on 10th August, 2004 at a 28 Cent per SDS of ₹ 0.50 paisa on Singapore Stock Exchange. There is no conversion date fixed for SDS in to Equity Shares. There will be no impact on conversion of SDS in to equity as the conversion takes place under two way fungibility guide lines issued by Reserve Bank of India.

XIII. Location of Manufacturing facility:-

1.	Pigment Green Division	Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445
2.	Pigment Blue Division	Plot No. 21,21/1, G.I.D.C. Panoli, District :- Bharuch
3.	Pigment Division	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

XIV. 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)
Meghmani Organics Limited
Meghmani House, Shreenivas Society, Vikasgruh Road,
Paldi, Ahmedabad -380 007
helpdesk@meghmani.com

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DECLARATION BY MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Clause 49(I)(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the financial year ended on 31st March, 2013.

FOR Meghmani Organics Limited

Place : Ahmedabad
Ashish Soparkar

Date : 30th May, 2013
Managing Director

AUDITORS CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of the
Meghmani Organics Limited,

We have examined the compliance of conditions of corporate governance by Meghmani organics Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The Compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof. 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 explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned clause of listing agreement.

We have been explained that no investor grievances remaining unattended/pending for a period exceeding one month as on 31st March, 2013.

We further state that such compliance is neither an assurance as to future viability of the Company the efficiency or effective ness with which the management has conducted the affairs of the Company.

FOR M/S. PATEL & KHANDWALA
Chartered Accountants
M. M. Khandwala
Partner

Place : Ahmedabad
Membership Number 32472

Date : 30th May, 2013
FRN No.107647W

INDEPENDENT AUDITORS' REPORT

To,
The Members of
MEGHMANI ORGANICS LIMITED,

We have audited the accompanying financial statements of **MEGHMANI ORGANICS LIMITED,** which comprise the Balance Sheet as at 31st March, 2013 Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these 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 Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 mis-statement.

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

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

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR M/S PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647 W
M. M. KHANDWALA
P A R T N E R
M. NO.: 32472

PLACE: AHMEDABAD
DATE : 30th MAY, 2013.

ANNEXURE TO AUDITOR'S REPORT

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 that:

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

   (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

   (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) 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 Four Subsidiaries Companies, listed in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at anytime during the year is ₹ 23,18,50,572/- and year-end balance is ₹12,74,10,002/-

   (b) In our opinion and according to the information and explanation given to us the Company has charged interest on loan given to PT Meghmani Organics Indonesia and Meghmani Overseas FZE Dubai. The other loans are interest free and rate of interest and other terms and conditions of loan given by the Company are prima facia not prejudicial to the interest of the Company.

   (c) The said interest free loan given to the Subsidiaries of the Company is repayable on demand.

   (d) In respect of the loan given by the Company, no overdue amount arises as the loans are repayable on demand.

   (e) According to the information and explanations given to us and on the basis of our examination of the books of account, during the year the Company has taken unsecured loan of ₹ 46,13,00,000/- from Meghmani Finechem Limited, a subsidiary company, listed in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at anytime during the year is ₹ 46,13,00,000/- and year-end balance is ₹ 30,51,91,165/-.

   (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company.

   (g) As informed to us, the Company is regular in repayment of principal amount and interest as per terms.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventories, fixed assets, payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000/- in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for items stated to be of specialized nature where no comparison is possible.

6. The Company has not accepted any deposits from the public covered under Section 58A and 58AA of the Companies Act, 1956.

7. The Company has appointed a firm of Chartered Accountants as Internal Auditors. In our opinion the system of internal audit is commensurate with its size and the nature of its business.

8. The Central Government has prescribed maintenance of cost records vide Notification F/52/26/CAB-2010 dated 24th January, 2012 issued by Government of India, in respect of product of the Company. We have broadly reviewed the books of accounts maintained by the Company. We are of the opinion that prima facie records have been maintained. We have not however made detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including, Provident Fund, Investor Education Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable to it with the appropriate authorities. According to the information given to us, no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31st March, 2013 for the period 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 disputes are given below:

Name of Statue	Nature of Dues	Figures (in ₹)	Forum where dispute is pending
Income Tax	Income Tax/ Penalty for Various Financial Years 1999-2000, 2002-2003 to 2008-2009	6,41,22, 383	Commissioner of Income Tax (Appeal)/Income Tax Appellate Tribunal/High Court
Central Excise Tariff Act	Excise Duty/ Penalty/Interest (Financial Year 2007-2008 to 2010-2011)	3,63,82,771	Commissioner of Central Excise /Director General of Central Excise/ Audit Team of Central Excise / Central Excise Services Tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest (Financial Year 2007-2008 to 2010-2011)	2,33,02,429	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	1,55,48,971	Labour Court
Value Added Tax	Input Tax Credit	1,82,46,501	The Joint Commercial tax Appeals

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

11. 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.

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds and other Investments. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

15. According to the information and explanations given to us, the Company has given guarantees for loan taken by Subsidiary Companies from a bank or financial institution. The terms and condition whereof in our opinion are not prima facie prejudicial to the interest of the Company.

16. According to the information and explanation given to us, all term loans obtained are used for the purpose for which they have been obtained.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

FOR M/S PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647 W
M. M. KHANDWALA
P A R T N E R
M. NO.: 32472

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

Audited Balance Sheet as at 31st March 2013

PARTICULARS	Note No.	(Figures in ₹)	
		31st March, 2013	31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	254,314,211	254,314,211
(b) Reserves and Surplus	3	5,089,497,254	5,016,704,757
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,128,145,171	1,293,700,341
(b) Deferred tax liabilities (Net)	5	233,823,057	210,309,276
(c) Long-term provisions	6	265,033,552	334,773,379
(3) Current liabilities			
(a) Short-term borrowings	7	2,464,325,400	1,828,744,985
(b) Trade payables	8	1,341,839,872	973,434,936
(c) Other current liabilities	9	462,927,908	350,497,247
(d) Short-term provisions	10	59,584,665	68,043,291
TOTAL		**11,299,491,090**	**10,330,522,423**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		2,512,715,266	2,398,509,474
(ii) Intangible assets		53,752,596	77,809,546
(iii) Capital work-in-progress		849,457,126	526,000,605
(iv) Intangible assets under development		38,942,436	6,826,947
(b) Non-current investments	12	1,380,840,450	1,139,305,560
(c) Long-term loans and advances	13	261,039,899	62,548,899
(d) Other non-current assets	14	37,426,859	19,264,766
(2) Current assets			
(a) Inventories	15	1,482,310,837	1,362,391,497
(b) Trade receivables	16	3,282,265,291	3,217,993,812
(c) Cash and Bank Balance	17	17,463,445	98,147,060
(d) Short-term loans and advances	18	1,205,937,049	1,185,427,589
(e) Other current assets	19	177,339,836	236,296,668
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 33		
TOTAL		**11,299,491,090**	**10,330,522,423**

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

Audited Statement of Profit and Loss for the year ended on 31st March 2013

PARTICULARS	Note No.	(Figures in ₹)	
		31st March, 2013	31st March, 2012
Income			
Revenue from Operation		8,087,526,847	8,900,143,983
Less: Excise Duty		590,104,704	679,166,216
Net Revenue from Operation	20	7,497,422,143	8,220,977,767
Other Income	21	104,851,085	95,116,459
Total Income		**7,602,273,228**	**8,316,094,226**
Expenditure			
Raw Materials Consumption	22	4,615,738,721	4,799,082,657
Trading Purchases		408,552,334	786,784,359
(Increase)/Decrease in Stock	23	(161,372,947)	(174,639,534)
Employees Emoluments	24	343,750,740	351,319,356
Financial Expenses	25	272,364,499	277,992,207
Depreciation	11	263,607,237	260,783,371
Other Expenses	26	1,762,907,668	1,710,070,493
Total Expenditure		**7,505,548,252**	**8,011,392,909**
Profit Before Extraordinary Items & Tax		**96,724,976**	**304,701,317**
Extraordinary Item	27	8,728,177	-
Profit Before Tax		**87,996,799**	**304,701,317**
Payment & Provision of Current Tax		19,500,000	60,000,000
(Excess) / Short Provision of Tax of Eariler Years		(12,841,854)	-
Deferred Tax	5	23,513,780	78,863,510
Profit for the year		**57,824,873**	**165,837,807**
Basic & Diluted Earning per share of face value of ₹ 1 each	28		
before Extraordinary item		**0.26**	**0.65**
after Extraordinary item		**0.23**	**0.65**
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 33		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
A. Cashflow from Operating Activities		
Net Profit Before Tax	87,996,799	304,701,317
Adjustment for :		
Depreciation	263,607,237	260,783,371
Unrealised Foreign Exchange Gain	34,985,691	9,450,455
Mark to Market Loss on Derivative	(63,666,488)	74,358,129
Liability no longer Required	(1,022,225)	-
Interest and Finance Charges	272,364,499	277,992,207
Wealth Tax	786,279	851,241
Dividend Received	(30,001)	(5,653,104)
Interest Received	(14,517,769)	(15,106,168)
Profit / Loss on Sale of Investment	-	1,232,284
Loss on Sale of Fixed Assets (Net)	86,355	1,871,468
Operating Profit before working capital changes	**580,590,377**	**910,481,200**
Adjustment for:		
Inventories	(119,919,340)	(69,816,798)
Trade Receivables	(64,271,479)	37,779,650
Short Term Loans and Advances	(127,333,913)	(70,113,760)
Other Current Assets	61,182,777	228,969,571
Long Term Loans and Advances	(15,414,867)	(28,256,280)
Trade Payables	369,427,161	(52,376,045)
Other Current Liabilities	12,108,153	(215,882,819)
Provisions	(9,398,648)	127,293,897
Sub Total	**106,379,844**	**(42,402,584)**
Cash Generated from operation	**686,970,221**	**868,078,616**
Direct Taxes Paid (Net of Income Tax Refund)	(4,505,083)	(62,349,364)
Net Cash from operating activities	**682,465,138**	**805,729,252**
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(647,314,937)	(893,449,193)
Loan & Advances to Related Parties	104,671,390	175,891,400
Fixed Deposits made	(155,933)	(2,966,298)
Fixed Deposits withdrawn	-	7,333,011
Capital Advances	(183,076,133)	6,783,993
Deferred Payment to GIDC	9,996,881	-
Dividend Received	30,001	5,653,105
Interest Received	14,369,877	15,048,051
Sales of Mutual Fund	-	352,354,856
Unsecured Loan from Subsidiary Company	305,191,165	-
Investment in Subsidiaries	(241,534,890)	(16,183,237)
Investment in Others	-	(20,000)
Sale of Fixed Assets	4,410,820	4,643,994
Net Cash Used in Investing Activities	**(633,411,759)**	**(344,910,318)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
C. Cash flow from financing Activities		
Dividend paid	(25,260,988)	(101,195,706)
Tax on dividend	(4,125,612)	(16,502,449)
Interest and Finance Charges Paid	(273,404,860)	(287,936,246)
Long Term Option Derivatives	-	(74,358,129)
Short Term Borrowings	205,521,160	644,155,523
Proceeds from Other Borrowing	1,453,300,000	1,721,645,599
Other Borrowing Repaid	(1,325,600,000)	(2,290,000,000)
Bank Borrowing (Term Loan) - Repaid	(146,052,984)	(50,791,675)
Net Cash Used in Finanacing Activities	**(115,623,284)**	**(454,983,083)**
Net (Decrease)/Increase in Cash and Cash Equivalent	**(66,569,905)**	**5,835,851**
Cash on Hand - Opening Balance	**95,468,703**	**99,083,307**
Cash on Hand - Closing Balance	**28,898,798**	**104,919,158**
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	**17,463,445**	**98,147,060**
Less - Fixed Deposit in Bank not consider as Cash and Cash Equivalent	2,694,142	2,678,357
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts (Includes ₹18,77,351 (P.Y. ₹ 17,66,918) Pertains to Unpaid Dividend & IPO Refund Account being restricted for use)	12,583,076	93,806,532
Cash on Hand	2,186,227	1,662,171
Cash and Cash Equivalents	**14,769,303**	**95,468,703**
Effect of Unrealised Exchange Difference	14,129,495	9,450,455
Cash & Cash Equivalents at the end of the year	**28,898,798**	**104,919,158**

Notes to the cash flow statement for the year ended on 31st March, 2013.

(1) The Cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash flow statement" issued by the Institute of Chartered Accountants of India.

(2) Figures in brackets indicate cash outgo.

(3) The previous year figures have been regrouped/restated wherever necessary to conform to this year's classification.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

STATEMENT ON 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, 1956.

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 recognized 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

Incomes in respect of Duty Drawback and Duty Entitlement Pass Book Scheme (DEPB) in respect of exports made during the year are accounted on accrual basis. Profit or losses on transfer of DEPB 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 recognized on the basis of dividend declared 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 statement of profit and loss.

(ii) In order to hedge exposure to foreign exchange risks arising from Export or Import foreign currency, bank borrowings and trade receivables, the Company enters into forward contracts. In case of forward exchange contracts, the cost of the contracts is amortized over the period of the contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized 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 statement of profit and loss 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.

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 from 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 neither 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

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 and other assets as stated below depreciation is charged on Straight Line Method (SLM) as per rate and in the manner prescribed under Schedule XIV of the Companies Act, 1956. 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.

(i) Communication Equipment – 100%

Intangible assets are amortized over useful life of assets as per management perception as under:-

(i) ETP usage Rights – 5 Years

(ii) Software – 5 Years

(iii) License – 5 Years

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 Export Oriented Units (EOUs) where prima facie finished goods of EOUs are meant for export and no excise duty is leviable, therefore no excise duty is added in finished goods valuation. However in case of EOU also Excise duty is included in valuation of finished goods in proportion to DTA sales. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

1.12 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.

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 estimatable.

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 29th March, 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 in the Profit and 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 Statement of 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 in to 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 ₹)	
	31st March 2013	31st March 2012
AUTHORISED		
370,000,000 Equity Shares (Previous Year 370,000,000)		
Each share of ₹ 1/-	370,000,000	370,000,000
	370,000,000	370,000,000
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES		
254,314,211 Equity Shares (Previous Year 254,314,211)		
Each share of ₹ 1/- Fully Paid up	254,314,211	254,314,211
TOTAL	**254,314,211**	**254,314,211**

Reconciliation of No. of Shares

PARTICULARS	No. of Shares		(Figures in ₹)	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
As at beginning of the year	254,314,211	254,314,211	254,314,211	254,314,211
Add :				
Issued During the year	-	-	-	-
Less :				
Shares bought back / Redemption etc.	-	-	-	-
As at closing of the year	**254,314,211**	**254,314,211**	**254,314,211**	**254,314,211**

Details of Shareholding

PARTICULARS	No. of Shares		(Figures in ₹)	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Number of Shares held by Shareholders holding more than 5% Shares				
DBS Nominees (P) Ltd.	51,228,150	53,116,650	51,228,150	53,116,650
Mr. Jayanti Patel	18,873,946	18,873,946	18,873,946	18,873,946
Mr. Ashish Soparkar	24,585,410	24,458,090	24,585,410	24,458,090
Mr. Natwarlal Patel	25,910,477	25,532,130	25,910,477	25,532,130
Mr. Ramesh Patel	16,354,120	16,354,120	16,354,120	16,354,120
TOTAL	**136,952,103**	**138,334,936**	**136,952,103**	**138,334,936**

NOTES TO THE FINANCIAL STATEMENTS

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

The Company has declared dividend of ₹ 2,54,31,421 (Previous Year ₹ 2,54,31,421 representing 10% (Previous Year 10%) Paid up Capital and ₹ 0.10 per share (Previous year ₹ 0.10 per share) out of accumulated profit of the previous years.

Particulars of NRI Shareholders to whom dividend is remitted.

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Amount of Final Dividend Remitted	5,311,665	21,246,660
No. of Shareholders	1	1
No. of Shares held	53,116,650	53,116,650
Year / Period to which dividend relates	2011-12	2010-11

NOTES TO THE FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
(1) Securities Premium Account		
As per last year accounts	1,565,048,295	1,565,048,295
Add : Addition During the Year	-	-
	1,565,048,295	**1,565,048,295**
(2) Capital Reserve		
As per last year accounts	3,122,017	3,122,017
(3) General Reserve		
As per last year accounts	609,270,348	604,270,348
Add : Transferred from Profit and Loss Account	-	5,000,000
	609,270,348	**609,270,348**
(4) Capital Redemption Reserve		
As per last year accounts	18,432,980	18,432,980
(5) Debenture Redemption Reserve		
As per last year accounts	82,551,224	-
Add : Addition during the year	56,214,919	82,551,224
	138,766,143	**82,551,224**
(6) Hedge Reserve		
As per last year accounts	(197,753,281)	-
Add : Addition during the year	92,194,307	(179,051,761)
Less : Deduction during the year	47,473,192	18,701,520
	(153,032,166)	**(197,753,281)**
(7) Surplus in Profit & Loss Account		
As per last year accounts	2,936,033,174	2,887,303,624
Add : Profit for the year	57,824,873	165,837,807
	2,993,858,047	3,053,141,431
Less : Appropriation		
Transfer to General Reserve	-	5,000,000
Debenture Redemption Reserve	56,214,919	82,551,224
Proposed Dividend	25,431,421	25,431,421
Tax on Dividend	4,322,070	4,125,612
	85,968,410	117,108,257
	2,907,889,637	**2,936,033,174**
TOTAL	**5,089,497,254**	**5,016,704,757**

NOTES TO THE FINANCIAL STATEMENTS

4 LONG TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
SECURED		
Privately Placed Non - Convertible Debentures :		
10.40% Non - Convertible Debenture redeemable at par In Indian currency	1,000,000,000	1,000,000,000
Term Loan Facilities from Banks :		
In Foreign currency	128,145,171	293,700,341
TOTAL	**1,128,145,171**	**1,293,700,341**

Details of Security and Repayment Terms

1 Secured Non-Convertible Debentures of ₹ 100,00,00,000/- 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.

2 Redemption Detail of 10.40 % Non Convertible Debenture ₹ 100,00,00,000/-

Amount OF Redemption	Date of Redemption
₹ 500,000,000	12th October, 2014
₹ 500,000,000	12th October, 2015

3 External Commercial Borrowing of US$ 1,10,00,000 equivalent to ₹ 51,13,90,000 from Standard Chartered Bank, Ahmedabad. The facility is secured by First charge on all the present and Future Movable Fixed assets financed under term loan including movable fixed assets held at CH-1-2/A. GIDC Dahej,Taluka Vagra, Bharuch and repayable in 13 Installment amount of US$ 7,85,400 of Each & last instalment of US$ 7,89,800 and interest @3 Month LIBOR + 2.5%.

5 DEFERRED TAX LIABILITIES (NET)

Major Components of Deferred Tax:

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Deferred Tax Liability:		
Difference in value of Fixed Asset due to depreciation and other allowances	240,981,271	214,951,325
Deferred Tax Assets:		
Disallowance u/s 43B of Income Tax Act, 1961	7,158,214	4,642,049
TOTAL	**233,823,057**	**210,309,276**
Previous Year	210,309,276	131,445,767
Deferred Tax Expense / (Saving) charge to Profit & Loss	**23,513,781**	**78,863,509**

NOTES TO THE FINANCIAL STATEMENTS

6 LONG TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Provision for Employee Benefits (See Note No - 10)	1,595,593	1,749,336
Fair Value of Financial Derivatives (See Note (i) below)	263,437,959	333,024,043
TOTAL	**265,033,552**	**334,773,379**

Note : (i) Movement of Provision of Financial Derivatives as per AS - 29

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Opening Balance	333,024,043	-
Addition during the year	92,567,372	333,024,043
Used during the year	162,153,456	-
Closing balance	**263,437,959**	**333,024,043**

7 SHORT TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Secured Loans		
Working Capital Facilities from Banks :		
In Indian currency	1,824,815,164	1,348,656,776
Unsecured Loans		
From Banks - In Indian Currency	334,319,071	371,317,459
From Banks - In Foreign Currency	-	108,770,750
From Subsidiary Companies	305,191,165	-
TOTAL	**2,464,325,400**	**1,828,744,985**

(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 9.65% to 13.75% (both inclusive) and are secured by :-

(a) First Pari Passu charge created on 25th May, 2005 to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) by way of hypothecation of the entire stock of raw materials, work in process, finished goods, stores and spares and receivables.

(b) First Pari Passu charge on immovable properties to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) as collateral security for the working capital facilities.

(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.

(iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar.

NOTES TO THE FINANCIAL STATEMENTS

8 TRADE PAYABLE

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Micro, Small and Medium Enterprises	52,578,932	39,198,607
Others	1,289,260,940	934,236,329
(See Notes below)		
TOTAL	**1,341,839,872**	**973,434,936**

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 reconciled 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 and accordingly the Company has provided for interest of ₹ 19,61,002 (Previous Year ₹ 13,92,523) being payable as required under the said act.

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
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	52,578,932	39,198,607
Interest Amount	1,961,002	1,392,523
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;	520,930	769,509
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	880,219	1,081,248
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.	568,479	883,080

NOTES TO THE FINANCIAL STATEMENTS

9 OTHER CURRENT LIABILITIES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Current maturities of long-term debt	170,541,756	146,052,984
Interest accrued but not due on borrowings	5,992,119	7,600,959
Deferred Payment to GIDC	9,996,881	-
Employee Benefit Payable	32,137,458	28,335,912
Advance Received from Customer	6,151,044	4,589,361
Statutory Payments	65,210,976	52,392,930
IPO Refund Payable (See Note i & ii below)	106,400	106,400
Unpaid Dividend (See Note ii below)	1,770,951	1,600,518
Proposed Dividend & provision of tax on dividend	29,753,491	29,557,033
Payable for retention money	4,240,454	10,313,576
Payable - Capital Goods	135,065,376	68,555,051
Interest as per MSMEDA, 2006 (See Note No - 8(ii))	1,961,002	1,392,523
TOTAL	**462,927,908**	**350,497,247**

(i) IPO Refund Payable represents share application money received at the time of IPO and pending for refund due to non-traceability of investors. The Company has kept the balance of such money in a seperate account with Bank and as informed to statutory authorities no interest thereon is provided.

(ii) There is no amount outstanding in respect of IPO Refund and Unpaid Dividend to be transferred to Investor education and protection fund under Section 205 of the Companies Act, 1956.

10 SHORT TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Wealth Tax Payable	465,711	425,000
Current Tax Payable	40,836,510	47,258,488
Provisions for Employee Benefits (See Notes - 29)	18,282,444	20,359,803
TOTAL	**59,584,665**	**68,043,291**

NOTES TO THE FINANCIAL STATEMENTS

11. Fixed Assets As on 31st March 2013

(Figures in ₹)

Sr. No.	Particulars	Gross Block Opening	Gross Block Addition	Gross Block Deduction	Gross Block Closing	Depreciation Opening	Depreciation Provision For the Year	Depreciation Deduction	Depreciation Closing	Net Block Closing Balance 31.03.2013	Net Block Closing Balance 31.03.2012
	Tangible Assets										
1	Freehold Land	14,903,516	-	-	14,903,516	-	-	-	-	14,903,516	14,903,516
2	Leasehold Land	221,365,809	81,681,393	-	303,047,202	8,693,652	3,228,593	-	11,922,245	291,124,957	212,672,157
3	Building	775,919,810	112,715,826	-	888,635,636	129,493,637	25,140,107	-	154,633,744	734,001,892	646,426,173
4	Plant & Machinery	2,884,310,740	141,659,393	5,719,929	3,020,250,204	1,447,893,140	197,078,913	4,851,543	1,640,120,510	1,380,129,694	1,436,417,600
5	Furniture & Fixtures	40,821,869	2,841,759	-	43,663,628	21,893,613	2,379,578	-	24,273,191	19,390,437	18,928,256
6	Vehicles	73,741,013	15,905,670	5,554,764	84,091,919	23,503,447	7,042,003	2,106,022	28,439,428	55,652,491	50,237,566
7	Computers	29,261,669	965,532	79,086	30,148,115	22,590,751	1,714,835	65,117	24,240,469	5,907,646	6,670,918
8	Other Equipments	20,541,803	713,451	209,738	21,045,516	8,288,515	1,195,878	43,510	9,440,883	11,604,633	12,253,288
	Total	**4,060,866,229**	**356,483,024**	**11,563,517**	**4,405,785,736**	**1,662,356,755**	**237,779,907**	**7,066,192**	**1,893,070,470**	**2,512,715,266**	**2,398,509,474**
	Intangible Assets										
1	Software Licences	36,640,281	210,000	159,425	36,690,856	13,203,675	7,281,479	-	20,485,154	16,205,702	23,436,606
2	Product Licences	105,571,372	1,719,805	-	107,291,177	51,198,432	18,545,851	-	69,744,283	37,546,894	54,372,940
3	ETP Usage Rights	4,093,800	-	-	4,093,800	4,093,800	-	-	4,093,800	-	-
	Total	**146,305,453**	**1,929,805**	**159,425**	**148,075,833**	**68,495,907**	**25,827,330**	**-**	**94,323,237**	**53,752,596**	**77,809,546**
	Capital WIP										
1	Tangible Assets	526,000,605	463,331,365	139,874,844	849,457,126	-	-	-	-	849,457,126	526,000,605
2	Intangible Assets	6,826,947	32,665,489	550,000	38,942,436	-	-	-	-	38,942,436	6,826,947
	Total	**532,827,552**	**495,996,854**	**140,424,844**	**888,399,562**	**-**	**-**	**-**	**-**	**888,399,562**	**532,827,552**
	Grand Total	**4,739,999,234**	**854,409,683**	**152,147,786**	**5,442,261,131**	**1,730,852,662**	**263,607,237**	**7,066,192**	**1,987,393,707**	**3,454,867,424**	**3,009,146,572**
	Previous Year	**3,863,368,493**	**1,353,081,622**	**476,450,879**	**4,739,999,236**	**1,478,385,622**	**260,783,372**	**8,316,329**	**1,730,852,665**	**3,009,146,571**	**2,384,982,871**

i Capital WIP- Tangible Assets Includes Expenses during construction period ₹ 9,14,79,053/- (P.Y. ₹ 3,06,96,567/-)

ii Borrowing cost Capitalised during the year ₹ 4,51,19,084/- (P.Y. ₹ 2,14,70,292/-)

iii Depreciation Includes ₹ 1,296,518/- Pertains to Prior Period Expenses

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

(Figures in ₹)

Sr. No.	Particulars	Gross Block Opening	Gross Block Addition	Gross Block Deduction	Gross Block Closing	Depreciation Opening	Depreciation Provision For the Year	Depreciation Deduction	Depreciation Closing	Net Block Closing Balance 31.03.2013	Net Block Closing Balance 31.03.2012
	Tangible Assets										
1	Building	1,144,279	-	-	1,144,279	105,768	36,308	-	142,076	1,002,203	1,038,511
2	Plant & Machinery	21,511,966	525,000	-	22,036,966	10,672,970	1,543,978	-	12,216,948	9,820,018	10,838,996
3	Furniture & Fixtures	2,644,103	-	-	2,644,103	422,847	159,003	-	581,850	2,062,253	2,221,256
4	Vehicles	955,980	-	-	955,980	279,097	86,278	-	365,375	590,605	676,883
5	Computers	241,400	-	-	241,400	61,769	37,174	-	98,943	142,457	179,631
6	Other Equipments	236,881	-	-	236,881	36,724	11,006	-	47,730	189,151	200,157
	Sub Total	**26,734,609**	**525,000**	**-**	**27,259,609**	**11,579,175**	**1,873,747**	**-**	**13,452,922**	**13,806,687**	**15,155,434**
	Intangible Assets										
1	Product Licences	35,220,076	1,719,805	-	36,939,881	10,834,419	7,227,376	-	18,061,795	18,878,086	24,385,657
	Sub Total	**35,220,076**	**1,719,805**	**-**	**36,939,881**	**10,834,419**	**7,227,376**	**-**	**18,061,795**	**18,878,086**	**24,385,657**
	Total	**61,954,685**	**2,244,805**	**-**	**64,199,490**	**22,413,594**	**9,101,123**	**-**	**31,514,717**	**32,684,773**	**39,541,091**

NOTES TO THE FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
(I) Trade Investments - Unquoted:		
(a) Investments in Equity Instruments - Unquoted		
(1) In Subsidiaries (Unquoted and fully paid)		
(i) 61,299 (Previous Year 2,000) equity shares of Meghmani Europe BVBA, Belgium of Euro 18.55 each	81,143,713	1,443,433
(ii) 3,999,400 equity shares of Meghmani Energy Ltd. of ₹10 each fully paid	43,723,099	43,723,099
(iii) 292,500 equity shares of Meghmani Organics Inc., USA of US$ 1 each	13,970,150	13,970,150
(iv) 40,446,820 (Previous Year: 35,182,333) equity shares of Meghmani Finechem Ltd. of ₹ 10 each	1,212,424,600	1,054,489,990
(v) 730,000 equity shares of Meghmani Chemtech Ltd. of ₹ 10 each	7,300,000	7,300,000
(vi) 250,000 equity shares of PT Meghmani Organics Indonesia of US$ 1 each	12,330,000	12,330,000
(vii) 1 equity shares of Meghmani Overseas FZE of AED 35,000 each	456,138	456,138
(viii) 39,000 equity shares of Triance Speciality Private Limited of ₹ 100 each (See Note i below)	3,900,000	-
(2) In Others		
(i) 4 Equity Shares of Alaukik Owners Association of ₹ 100 each	400	400
(ii) 491,585 equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of ₹ 10 each	4,915,850	4,915,850
(iii) 14,000 equity share of Bharuch Eco Environ Infrastructure Ltd. of ₹ 10 each	140,000	140,000
(iv) 500 equity shares of Green Environment Services Co.Op. Soc. Ltd. of ₹ 10 each	5,000	5,000
(v) 30,000 equity shares of Panoli Enviro Technology of ₹ 10 each	300,000	300,000
(vi) 100 equity shares of Sanand Eco Project Limited of ₹ 10 each	1,000	1,000
(vii) 2,000 equity shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50 each	100,000	100,000
(viii) 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	28,000	28,000
Total (I)	**1,380,738,450**	**1,139,203,560**
(II) Other Investments		
(a) Other Non-Current Investments - Fully Paid		
(i) 8,200 equity shares of Lanzorate Finance Limited of ₹ 10 each-Unquoted	82,000	82,000
(ii) 2,000 equity shares of Saket Project Ltd. of ₹ 100 each-Quoted	20,000	20,000
Total (II)	**102,000**	**102,000**
TOTAL(I+II)	**1,380,840,450**	**1,139,305,560**

NOTES TO THE FINANCIAL STATEMENTS

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
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 ₹)	
	31st March 2013	31st March 2012
Non-Current	1,380,820,450	1,139,285,560
Aggregate Value of Provision For Diminution In Value	Nil	Nil

Note :-

i Given below are the financials of Jointly controlled entity, Trience Speciality Chemicals Pvt. Ltd. related to the Company's interests of 39% (P.Y. 32.60%)

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Assets	1,133,838	2,920,666
Liabilities	943	191,864
Incomes	-	-
Expenses	2,119,197	1,171,199

To set up the CPVC Plant at GIDC Dahej, Bharuch, Meghmani Organics Limited, (Meghmani) Kaneka Corporation and Mitsui & Co. (Asia Pacific) Pte. Ltd. (herein after called Joint Venture Partners) had formed the Trience Specialty Chemicals Pvt. Limited (Trience) a Joint Venture Company having equity participation in the ratio of 39%, 41% and 20% respectively.

As per Capital Clause of Memorandum of Association of Trience, the Joint Venture Partners had to subscribe ₹ 10,00,00,000. Trience had called to subscribe ₹ 1,00,00,000/- to meet with the Preliminary expenses. Accordingly, Meghmani Organics Limited has subscribed ₹ 39,00,000/- towards its share.

Joint Venture Partners could not complete the Second Stage Conditions prescribed in Articles of Association by 30th September, 2012. Hence as per Clause 10.3 of Articles of Association the Primary Joint Venture Agreement has been automatically terminated and the Company is going ahead with the voluntary liquidation. As a result Meghmani will not have to now subscribe uncalled amount of the Trience.

NOTES TO THE FINANCIAL STATEMENTS

13 LONG TERM LOANS AND ADVANCES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Capital Advances	185,062,792	1,986,659
Security Deposits	71,886,991	58,912,055
Balance with Government Authorities	4,090,116	1,650,185
TOTAL	**261,039,899**	**62,548,899**

14 OTHER NON CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Derivative Assets	36,880,578	18,858,633
Deposits for Margin Money with Banks exceeding one year	546,281	406,133
TOTAL	**37,426,859**	**19,264,766**

15 INVENTORIES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Raw Materials	486,237,323	529,229,021
Work In Process	65,567,815	64,788,345
Finished Goods	678,420,399	587,058,201
Finished Goods in Transit	170,398,865	67,976,323
Trading Goods	19,189,505	52,380,766
Stores & Spares	19,670,838	18,725,326
Others (Packing Material & Fuel)	42,826,092	42,233,515
(See Notes below)		
TOTAL	**1,482,310,837**	**1,362,391,497**

Notes :-

(i) For Mode of Valuation of Inventories Refer Note No - 1.11

(ii) The Company has written down the value of inventory and had charged the same to Raw Material Consumption (Refer Note No - 22), Packing Material Consumption (Refer Note No - 26) & Increase / Decrease in Stock (Refer Note No - 23) as under

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Raw Materials	2,296,773	-
Finished Goods	3,241,656	-
Trading Goods	5,803,134	-
Others (Packing Material & Fuel)	2,945,992	-
TOTAL	**14,287,555**	**-**

(iii) Stock of Finished Goods Includes Excise Duty of ₹ 67,274,109 (P.Y. ₹ 60,551,756)

NOTES TO THE FINANCIAL STATEMENTS

16 TRADE RECEIVABLES (Unsecured and considered good)

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Exceeding Six Months	333,300,848	347,894,515
Others	2,948,964,443	2,870,099,297
TOTAL	**3,282,265,291**	**3,217,993,812**

(i) Includes ₹ 46,82,32,027 (Previous Year : ₹ 49,54,01,006) due from Subsidiary Company and ₹ 2,71,89,944 (Previous Year : ₹ 3,28,84,803) due from firm or a Company in which some of the Directors are interested.

(ii) 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 reconciled with Company's account. The other balances of Trade Receivables are subject to confirmation.

17 CASH AND BANK BALANCES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Balance with Banks (See note (i) below)	12,583,076	93,806,532
Cash on hand	2,186,227	1,662,171
Fixed Deposit with Banks (See note (ii) below)	2,694,142	2,678,357
TOTAL	**17,463,445**	**98,147,060**

Notes :

(i) The Current Account balance includes unpaid dividend of ₹ 1,770,951/- (P.Y. ₹ 1,660,518/-) and ₹ 106,400/- (P.Y. ₹ 106,400/-) towards IPO Refund Payable 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 with in one year and held as margin money.

NOTES TO THE FINANCIAL STATEMENTS

18 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Unsecured Loan to Subsidiary Companies	90,556,976	191,967,468
Unsecured Loan to Joint Venture	-	3,260,898
Balance with Government Department	755,219,926	542,622,543
Advance IT & TDS	106,090,453	115,285,215
Advance FBT	-	125,846
Prepaid Expenses	8,906,953	9,779,597
Advance Payment to Vendors (See Note (i) below)	241,485,175	317,296,317
Staff Advances	3,677,566	5,089,705
TOTAL	**1,205,937,049**	**1,185,427,589**

Note :-

(i) Advance Payment to Vendors includes ₹ 3,69,46,128/- (P.Y. ₹ Nil) 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	Total 31st March 2013	Total 31st March 2012	Maximum Balance Outstanding 31st March 2013	Maximum Balance Outstanding 31st March 2012
Meghmani Europe BVBA	56,868,616	160,731,439	160,731,438	163,788,266
PT Meghmani Organics Indonesia	33,601,438	31,155,407	34,176,335	32,465,210
Meghmani Overseas FZE	86,922	80,622	88,871	134,119
Meghmani Chemtech Limited	-	-	-	348,645,692
TOTAL	**90,556,976**	**191,967,468**	**194,996,644**	**545,033,287**

19 OTHER CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Export Benefit Receivable	131,584,882	146,889,059
Insurance Claim Receivable	42,059,872	87,938,472
Interest Accrued	1,617,029	1,469,137
Derivative Assets	2,078,053	-
TOTAL	**177,339,836**	**236,296,668**

NOTES TO THE FINANCIAL STATEMENTS

20 REVENUE FROM OPERATIONS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Sale of Products	7,316,666,751	8,051,288,995
Other Operating Revenue	180,755,392	169,688,772
TOTAL	**7,497,422,143**	**8,220,977,767**

Break up of Sale of Products

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Pigments	3,368,583,006	3,264,278,731
Agro Chemicals	3,427,315,098	3,990,087,423
Others	520,768,647	796,922,841
TOTAL	**7,316,666,751**	**8,051,288,995**

Earnings in Foreign Currencies

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Export of Goods (FOB)	5,819,140,156	6,100,629,735

21 OTHER INCOME

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Interest Income	14,517,769	15,106,168
Dividend Income From Others	30,001	5,653,104
Mark to Market Gain on Derivatives	85,699,941	52,324,676
OTHER NON OPERATING INCOME		
Provision no longer required	-	15,000,000
Misc. Income	2,161,875	-
Rent Received	949,650	343,650
Excess Provision Of Gratuity Expenses	-	5,257,892
Profit On Sale Of Fixed Assets	1,491,849	1,430,969
TOTAL	**104,851,085**	**95,116,459**

22 COST OF MATERIALS CONSUMED

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Pigments	2,254,660,750	2,096,058,805
Agro Chemicals	2,361,077,971	2,703,023,852
TOTAL	**4,615,738,721**	**4,799,082,657**

Includes Write down of Raw Material of ₹ 2,296,773/- (P.Y. ₹ Nil) (Refer Note No - 15(ii))

NOTES TO THE FINANCIAL STATEMENTS

Above expenses includes Research & Development related expenses as follows :-

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Agro Chemicals	24,506	110,690
TOTAL	**24,506**	**110,690**

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

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
(A) Opening Stock		
(i) Finished Goods	526,506,447	480,426,414
(ii) Trading Goods	52,380,766	8,307,144
(iii) Excise duty on Finished Goods	60,551,756	56,672,763
(iv) Goods in Transit	67,976,323	21,572,494
(v) Work-in-Process	64,788,345	30,585,288
TOTAL (A)	**772,203,637**	**597,564,103**
(B) Closing Stock		
(i) Finished Goods (See Note (i) below)	611,146,290	526,506,447
(ii) Trading Goods (See Note (i) below)	19,189,505	52,380,766
(iii) Excise duty on Finished Goods	67,274,109	60,551,756
(iv) Goods in Transit	170,398,865	67,976,323
(v) Work-in-Process	65,567,815	64,788,345
TOTAL (B)	**933,576,584**	**772,203,637**
TOTAL (A - B)	**(161,372,947)**	**(174,639,534)**

Note : (i) Includes Write down of Finished Goods of ₹ 3,241,656/- (P.Y. ₹ Nil) (Refer Note No - 15(ii)) & Trading Goods of ₹ 5,803,134 (P.Y. ₹ Nil) (Refer Note No - 15(ii)).

Value of Import on CIF basis

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Raw Material (Mfg.)	184,130,697	617,437,395
Trading Purchase	199,624,774	567,317,015
Capital goods	-	1,515,596
TOTAL	**383,755,471**	**1,186,270,006**

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

PARTICULARS	(Figures in ₹)			
	31st March 2013 Imported	31st March 2013 Indigenous	31st March 2012 Imported	31st March 2012 Indigenous
Stores And Spares	-	85,663,738	-	76,569,712
	-	100%	-	100%
Raw Materials	106,298,705	4,509,440,016	513,265,767	4,285,816,888
	2.30%	97.70%	10.70%	89.30%

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEES EMOLUMENTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Salary & Wages	214,027,239	193,596,785
Directors Remuneration	26,899,628	61,497,436
Statutory Contribution	9,018,018	9,189,327
Staff Welfare Expenses	19,019,539	19,300,042
Labour Contract Charges	74,786,316	67,735,766
TOTAL	**343,750,740**	**351,319,356**

Above expenses includes Research & Development related expenses as follows :-

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Salary & Wages	5,122,583	3,240,159
Statutory Contribution	109,701	-
Staff Welfare Expenses	321,194	-
TOTAL	**5,553,478**	**3,240,159**

25 FINANCIAL EXPENSES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Interest	254,857,017	256,001,678
Other Financial Charges	17,507,482	21,990,529
TOTAL	**272,364,499**	**277,992,207**

NOTES TO THE FINANCIAL STATEMENTS

26 OTHERS EXPENSES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Consumption of stores and spare parts	85,663,738	76,569,712
Power and Fuel	731,609,258	648,172,378
Repairs to Buildings	8,319,904	6,398,051
Repairs to Machinery	55,305,316	56,455,539
Pollution Expenses	98,143,550	111,657,197
Rent (See Note - iii)	4,006,528	11,475,934
Rates and Taxes	5,512,106	6,101,177
Insurance	26,543,754	27,106,421
Packing Material Consumption (total) (See Note - ii)	167,592,682	197,269,821
Profit / Loss on Sale on Investment	-	1,232,284
Loss on Sale of Fixed Asset	1,578,204	3,302,437
Gain/loss on foreign currency transactions and translation (Net)	36,949,248	(2,396,826)
Shipping / Air Lines Freight	169,232,080	159,467,522
Miscellaneous expenses (See Note - i)	370,041,300	405,458,846
Payments to the Auditor		
(a) as Auditor	1,700,000	1,500,000
(b) for taxation matters	200,000	100,000
(c) for company law matters	300,000	-
(d) for other services	200,000	200,000
(e) for reimbursement of expenses	10,000	-
TOTAL	**1,762,907,668**	**1,710,070,493**

Notes :

(i) Miscellaneous expenses Includes Excise Duty Expenses of ₹ 6,722,353 (P.Y. ₹ 3,878,993) Pertains to Variation in Stock of Finished Goods.

(ii) Packing Material Consumption Includes Write down of Packing Material of ₹ 2,945,992/- (P.Y. ₹ Nil) (Refer Note No - 15(ii)).

(iii) 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 ₹ 4,006,528 (Previous Year: ₹ 11,475,933).

Not later than 1 year ₹ 4,006,528 (Previous Year: ₹ 11,475,933)

(iv) **Expenditure in Foreign Currency are as under**

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Foreign Traveling Expenses	6,973,238	5,655,644
Sales Commission	37,188,062	48,441,320
Other Expenses	88,740,607	74,503,483
TOTAL	**132,901,907**	**128,600,447**

NOTES TO THE FINANCIAL STATEMENTS

Above expenses includes Research & Development related expenses as follows

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Consumption of Stores and Spare Parts	77,730	122,186
Power and Fuel	2,054,566	2,710,605
Rent	-	135,000
Repairs to Building	-	1,119
Repairs to Machinery	232,165	26,340
Miscellanceous Expenses	2,689,145	1,423,668
TOTAL	**5,053,606**	**4,418,918**

27 EXTRAORDINARY ITEMS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Shortfall of Insurance Claim	8,728,177	-
TOTAL	**8,728,177**	**-**

Extraordinary Item consisits of Short Claim Received from Insurance Company for Loss due to Fire during the Financial Year 2010-2011 Presented as an extra ordinary item. This being change in estimate as per AS - 5 and hence short claim has been shown as an extra ordinary item.

28 EARNING PER SHARE

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Net Profit after tax attributable to shareholders before Extra Ordinary Item	66,553,050	165,837,807
Less - Extra Ordinary Item	8,728,177	-
Net Profit after tax attributable to shareholders after Extra Ordinary Item	57,824,873	165,837,807
Weighted average number of equity shares at the end of year	254,314,211	254,314,211
Nominal value of share	1	1
Basic / Diluted earning per share before extraordinary items	0.26	0.65
Basic / Diluted earning per share after extraordinary items	0.23	0.65

29 AS - 15

(a) Retirement Benefits

As per revised Accounting Standard 15 (AS-15) “Employees Benefits”, the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2013.

NOTES TO THE FINANCIAL STATEMENTS

(A) Defined Benefit Plans

I. Components of Employer Expenses

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Current Service Cost	2,791,939	3,042,660	559,077	486,236
Interest Cost	3,058,598	3,616,978	178,701	144,439
Expected Return on Plan Assets	(1,358,022)	(1,595,664)	-	-
Actuarial (Gain)/loss	233,369	(10,321,866)	(814,841)	170,015
Total Expenses/(Gain) recognized in the Profit & Loss Account	4,725,884	(5,257,892)	(77,063)	800,690

II Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Present value of Funded Obligation	40,182,454	35,983,505	1,859,631	2,102,364
Fair Value of Plan Assets	(22,164,048)	(15,976,730)	-	-
(Assets)/Liability recognized in the Balance Sheet	18,018,406	20,006,775	1,859,631	2,102,364

III Change in Defined Benefit Obligations (DBO)

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Opening balance of Present Value of Obligation	35,983,505	44,709,244	2,102,364	1,785,404
Liability of Outgoing Transferred Employees	-	-	-	-
Current Service Cost	2,791,939	3,042,660	559,077	486,236
Interest Cost	3,058,598	3,616,978	178,701	144,439
Actuarial (Gain)/Loss	521,175	(10,411,044)	(814,841)	170,015
Benefit Paid	(2,172,763)	(4,974,333)	(165,670)	(483,730)
Closing Balance of Present Value of Obligation	40,182,454	35,983,505	1,859,631	2,102,364

IV Changes in the Fair value of Plan Assets

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Opening Balance of Present Value of Plan Assets	15,976,730	17,250,424	-	-
Assets of Outgoing Transferred Employees	-	-	-	-
Expected Return on Plan Assets	1,358,022	1,595,665	-	-
Actuarial Gain/(Loss)	287,806	(89,178)	-	-
Contribution by Employer	6,714,253	2,194,152	-	-
Benefit Paid	(2,172,763)	(4,974,333)	-	-
Fair Value of Plan Assets as at 31st March	22,164,048	15,976,730	-	-

NOTES TO THE FINANCIAL STATEMENTS

V Actuarial Assumptions

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Discount Rate (per annum)	8.25%	8.50%	8.25%	8.50%
Expected Rate of Return on Assets p.a.	8.70%	8.50%	-	-
Annual Increase in Salary Costs p.a.	6.00%	6.00%	6.00%	6.00%
Attrition Rate	2.00%	2.00%	2.00%	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	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	0.00%	0.00%

VII Movement in net liability recognized in balance Sheet

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Net opening liability	20,006,775	27,458,820	2,102,364	1,785,404
Liability of Transferred Employees	-	-	-	-
P & L Charges	4,725,884	(5,257,892)	(77,063)	800,690
Contribution paid	(6,714,253)	(2,194,153)	(165,670)	(483,730)
Closing net liability	18,018,406	20,006,775	1,859,631	2,102,364

(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 - ₹ 73,45,584/- (Previous year ₹ 76,21,775)

30. SEGMENT REPORTING

For management purpose, the Company is currently organized 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 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.

NOTES TO THE FINANCIAL STATEMENTS

(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, 2013: **(Figures in ₹)**

	Pigments	Agro	Others*	Elimination	Total
Revenue					
External Sales	3,368,583,006	3,427,315,098	520,768,647	-	7,316,666,751
Other Operating Revenue	67,284,595	105,206,765	8,264,032	-	180,755,392
Total Revenue	3,435,867,601	3,532,521,863	529,032,679	-	7,497,422,143
Results					
Segment Results	227,288,566	137,677,698	(10,424,559)	-	354,541,705
Un-allocable (Expenses)/Income					14,517,769
Profit from Operation					**369,059,474**
Finance Cost					(272,364,499)
Investments Income					30,001
Profit before exceptional items					**96,724,976**
Extraordinary Items					(8,728,177)
Profit Before Tax					**87,996,799**
Income tax Expenses					(6,658,146)
Deferred Tax					(23,513,780)
Profit after tax					**57,824,873**
Other information					
Capital Addition	156,327,327	185,929,394	2,480,697	13,675,415	358,412,833
Depreciation	(94,370,728)	(163,398,090)	(5,838,419)	-	(263,607,237)
Non-Cash Items	29,550,916	(67,173,983)	8,942,270	-	(28,680,797)
Balance Sheet					
Assets					
Segment Assets	4,651,240,048	6,007,955,772	534,204,817	-	11,193,400,637
Un-allocable					106,090,453
Corporate Assets					
Total Assets					**11,299,491,090**
Liabilities					
Segment Liabilities	2,196,127,138	3,152,689,211	331,737,998	-	5,680,554,347
Unallocable Liabilities					41,302,221
Deferred Tax Liabilities					233,823,057
Total Liabilities					**5,955,679,625**

*Others include trading activity and power generation.

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended on 31st March, 2012: (Figures in ₹)

	Pigments	Agro	Others *	Elimination	Total
Revenue					
External Sales	3,264,278,731	3,990,087,423	796,922,841	-	8,051,288,995
Other Operating Revenue	47,491,219	117,717,288	4,331,535	-	169,540,042
Total Revenue	3,311,769,950	4,107,804,711	601,254,376	-	8,220,829,037
Results					
Segment Results	372,795,601	196,171,841	(13,123,725)	-	555,843,717
Interest Income					
Un-allocable (Expenses)/Income					2,490,763
Profit from Operation					**558,334,480**
Finance Cost					(259,286,267)
Investments Income					5,653,104
Profit before exceptional items					**304,701,317**
Extraordinary Items					-
Profit Before Tax					**304,701,317**
Income tax Expenses					(60,000,000)
Deferred Tax					(78,863,510)
Profit after tax					**165,837,807**
Other information					
Capital Addition	583,845,453	685,517,593	62,139,761	21,578,812	1,353,081,619
Depreciation	(91,150,190)	(159,330,518)	(10,302,663)	-	(260,783,371)
Non-Cash Items	(2,329,928)	(1,631,595)	2,948,125	22,357,522	21,344,124
Balance Sheet					
Assets					
Segment Assets	3,203,579,638	4,366,603,295	734,607,971	-	8,304,790,904
Un-allocable					2,027,374,672
Corporate Assets					
Total assets					**10,332,165,576**
Liabilities					
Segment Liabilities	466,496,826	802,108,362	111,611,022	-	1,380,216,210
Unallocable Liabilities					3,470,621,121
Deferred Tax Liabilities					210,309,277
Total Liabilities					**5,061,146,608**

(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 ₹)	
	31st March 2013	31st March 2012
Export Sales	5,938,792,246	6,208,619,599
Domestic Sales	1,377,874,505	1,842,669,396
Total	**7,316,666,751**	**8,051,288,995**

NOTES TO THE FINANCIAL STATEMENTS

(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.

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 (MOL-DUBAI) Meghmani Energy Limited (MEL) Meghmani Finechem Limited (MFL) Meghmani Chemtech Limited (MCTL)
• Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence	Meghmani Pigments Ashish Chemicals Tapsheel Enterprise Meghmani Dyes & Intermediates Pvt Ltd Meghmani Industries Limited Meghmani Chemicals Limited Fidelity Exports Private Limited Vanguard Overseas Limited Panchratna Corporation Meghmani Unichem LLP
• Key Managerial Personnel	Mr. Jayanti M. Patel Mr. Ashish N. Soparkar Mr. Natwarlal M. Patel Mr. Ramesh M. Patel Mr. Anand I. Patel Mr. Ashvin Raythatha
• Relatives of Key Managerial Personnel (Employee)	Ms. Deval Soparkar Mr. Karana R. Patel Mr. Ankit N. Patel Mr. Darshan Patel
• Relatives of Key Managerial Personnel (Consultant)	Mr. K. M. Patel
• Joint Venture	Trience Speciality Chemicals Private Limited

NOTE - 31 MATERIAL TRANSACTIONS WITH RELATED PARTIES

MATERIAL TRANSACTIONS WITH RELATED PARTIES

(Figures in ₹)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Purchase of Goods	238,929,208	275,094,029	88,439,207	82,561,165	NIL	NIL	NIL	NIL	327,368,415	357,655,194
Sale of Goods	774,100,550	639,112,029	39,383,306	55,640,434	NIL	NIL	NIL	NIL	813,483,856	694,752,463
Sale of Fixed assets	NIL	4,098,709	766,857	NIL	NIL	NIL	NIL	NIL	766,857	4,098,709
Purchase of Service	NIL	NIL	NIL	NIL	NIL	NIL	NIL	48,600	NIL	48,600
Purchase of Assets	NIL	6,195,979	6,824,244	NIL	NIL	NIL	NIL	NIL	6,824,244	6,195,979
Remuneration	NIL	NIL	NIL	NIL	26,899,631	61,497,435	2,633,301	1,838,737	29,532,932	63,336,172
Loans Taken (MFL)	461,300,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	461,300,000	NIL
Loans Repaid (MFL)	156,300,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	156,300,000	NIL
Loans Given	NIL	180,376,144	NIL	NIL	NIL	NIL	NIL	NIL	NIL	180,376,144
Loans Repaid	109,123,400	369,204,800	NIL	NIL	NIL	NIL	NIL	NIL	109,123,400	369,204,800
Investment	241,534,890	16,183,237	NIL	NIL	NIL	NIL	NIL	NIL	241,534,890	16,183,237
Interest Paid	13,643,985	NIL	NIL	NIL	NIL	NIL	NIL	NIL	13,643,985	NIL
Interest Income	352,276	19,894,063	NIL	NIL	NIL	NIL	NIL	NIL	352,276	19,894,063
Rent Income (MEL)	750,000	144,000	NIL	NIL	NIL	NIL	NIL	NIL	750,000	144,000
Legal & Consultation Fees	NIL	NIL	NIL	NIL	NIL	NIL	NIL	495,000	NIL	495,000
Total	**1,996,034,309**	**1,510,302,990**	**135,413,614**	**138,201,599**	**26,899,631**	**61,497,435**	**2,633,301**	**2,382,337**	**2,160,980,855**	**1,712,384,361**

Outstanding Balances with Related Parties

(Figures in ₹)

Particulars	Subsidiary		Enterprises in which Directors have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Debtors	468,232,027	495,401,006	27,189,944	32,884,803	NIL	NIL	NIL	NIL	495,421,971	528,285,809
Creditors	13,811,752	37,816,527	(135,997,258)	(66,176,032)	NIL	NIL	NIL	NIL	(122,185,506)	(28,359,505)
Unsecured Loans	305,191,165	NIL	NIL	NIL	NIL	NIL	NIL	NIL	305,191,165	NIL
Salary,PF & Gratuity Payable	NIL	NIL	NIL	NIL	1,253,200	3,218,700	125,586	121,070	1,378,786	3,339,770
Loans and Advances	90,556,976	195,228,366	NIL	NIL	NIL	NIL	NIL	NIL	90,556,976	195,228,366
Total	**877,791,920**	**728,445,899**	**(108,807,314)**	**(33,291,229)**	**1,253,200**	**3,218,700**	**125,586**	**121,070**	**770,363,392**	**698,494,440**

MATERIAL TRANSACTIONS WITH RELATED PARTIES

(Figures in ₹)

Name of Related Parties	Sale of Goods 1		Sale of Assets 2		Purchase of Goods 3		Purchase of Assets/Services 4	
Subsidiary / Joint Venture	**31.03.2013**	**31.03.2012**	**31.03.2013**	**31.03.2012**	**31.03.2013**	**31.03.2012**	**31.03.2013**	**31.03.2012**
Meghmani Organics USA Inc.	438,035,453	410,784,588	-		-	-	-	-
Meghmani Europe BVBA	334,591,097	222,708,590	-		5,190,502	-	-	-
Meghmani Energy Limited	-	-	-	129,600	-	56,086,428	-	3,661,271
Meghmani Finechem Limited	-	-	-	4,098,709	233,738,706	219,007,601	-	2,534,708
PT Meghmani Organics Indonesia	1,474,000	5,618,849	-	-	-	-	-	-
Meghmani Overseas FZE	28,059,885	-	-	-	-	-	-	-
Meghmani Chemtech Limited	-	-	-	-	-	-	-	-
Triance Speciality Private Limited	-	-	-	-	-	-	-	-
Enterprises in which Directors & Key-Managerial Personnel [KMP] have significant influence								
Meghmani Pigments	-	-	-	-	41,520,704	37,083,132	-	-
Meghmani Pigments 100% EOU	-	-	-	-	23,118,890	4,840,580	-	-
Ashish Chemicals	2,339,748	8,778,778	-	-	4,807,614	1,349,460	-	-
Ashish Chemicals EOU Unit - II	12,447,750	27,699,000	-	-	-	-	-	-
Meghmani Industries limited - Unit II	-	768,582	-	-	-	-	-	-
Meghmani Industries limited	5,850,000	1,498,490	-	-	5,879,262	-	1,297,758	-
Meghmani Industries limited -SEZ	308,000	2,557,500	-	-	-	-	-	-
Meghmani Dyes & Intermediate Ltd	10,525,696	7,127,256	-	409,043	3,427,669	-	-	-
Meghmani Chemicals Limited	6,104,352	7,210,828	-	-	-	-	-	-
Matangi Industries	-	-	-	-	6,438,278	4,730,188	5,526,486	-
Panchratna Corporation	-	-	-	-	-	-	-	6,813,720
Tapasheel Enterprise	29,400	-	-	-	-	-	-	-
Vidhi Global Chemicals Limited	-	-	-	-	3,246,790	34,557,805	-	-
Meghmani Unichem	1,778,360	-	766,857	-	-	-	-	-
Key Managerial Personnel	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Jayanti M Patel	-	-	-	-	-	-	-	-
Ashish Soparkar	-	-	-	-	-	-	-	-
Natwarlal M Patel	-	-	-	-	-	-	-	-
R M Patel	-	-	-	-	-	-	-	-
Anand I Patel	-	-	-	-	-	-	-	-
Relatives of Key Managerial Personnel	-	-	-	-	-	-	-	-
Meghmani Infrastructures	-	-	-	-	-	-	-	20,907,555
Deval Soparkar	-	-	-	-	-	-	-	-
Karan R. Patel	-	-	-	-	-	-	-	-
Ankit N Patel	-	-	-	-	-	-	-	-
Darshan Patel	-	-	-	-	-	-	-	-
K. M. Patel	-	-	-	-	-	-	-	48,600
Saurabh Soparkar	-	-	-	-	-	-	-	495,000

MATERIAL TRANSACTIONS WITH RELATED PARTIES

(Figures in ₹)

Name of Related Parties	Interest Income 5		Interest Paid 6		Remuneration 7		Loans Taken 8		Loans/Advance Given 9		Loans Repaid 10		Investment 11		Total (1 + 11)	
Subsidiary / Joint Venture	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Meghmani Organics USA Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	438,035,453	410,784,588
Meghmani Europe BVBA	-	3,111,208	-	-	-	-	-	-	-	-	109,123,400	-	79,700,280	-	528,605,279	225,819,798
Meghmani Energy Limited	-	-	-	-	-	-	-	-	36,946,128	-	-	-	-	15,727,099	36,946,128	75,604,398
Meghmani Finechem Limited	-	-	13,643,985	-	-	-	461,300,000	-	-	-	156,300,000	-	157,934,610	-	1,022,917,301	225,641,018
PT Meghmani Organics Indonesia	351,374	-	-	-	-	-	-	-	-	-	-	-	-	-	1,825,374	5,618,849
Meghmani Overseas FZE	902	-	-	-	-	-	-	-	-	456,138	-	-	-	456,138	28,060,787	-
Meghmani Chemtech Limited	-	-	-	-	-	-	-	-	-	176,659,108	-	369,204,800	-	-	-	545,863,908
Triance Speciality Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	3,900,000	-	3,900,000	-
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence																
Meghmani Pigments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,520,704	37,083,132
Meghmani Pigments 100% EOU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,118,890	4,840,580
Ashish Chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,147,362	10,128,238
Ashish Chemicals EOU Unit - II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,447,750	27,699,000
Meghmani Industries limited - Unit II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	768,582
Meghmani Industries limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,027,020	1,498,490
Meghmani Industries limited -SEZ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	308,000	2,557,500
Meghmani Dyes & Intermediate Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,953,365	7,536,299
Meghmani Chemicals Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,104,352	7,210,828
Matangi Industries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,964,764	4,730,188
Panchratna Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,813,720
Tapasheel Enterprise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,400	
Vidhi Global Chemicals Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,246,790	34,557,805
Meghmani Unichem	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,545,217	-
Key Managerial Personnel																
Jayanti M Patel	-	-	-	-	5,378,483	13,839,756	-	-	-	-	-	-	-	-	5,378,483	13,839,756
Ashish Soparkar	-	-	-	-	5,382,091	13,839,756	-	-	-	-	-	-	-	-	5,382,091	13,839,756
Natwarlal M Patel	-	-	-	-	5,382,091	13,839,756	-	-	-	-	-	-	-	-	5,382,091	13,839,756
R M Patel	-	-	-	-	5,378,483	10,565,584	-	-	-	-	-	-	-	-	5,378,483	10,565,584
Anand I Patel	-	-	-	-	5,378,483	9,412,584	-	-	-	-	-	-	-	-	5,378,483	9,412,584
Relatives of Key Managerial Personnel															-	-
Meghmani Infrastructures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,907,555
Deval Soparkar	-	-	-	-	1,128,077	905,789	-	-	-	-	-	-	-	-	1,128,077	905,789
Karan R. Patel	-	-	-	-	667,846	380,272	-	-	-	-	-	-	-	-	667,846	380,272
Ankit N Patel	-	-	-	-	424,128	374,234	-	-	-	-	-	-	-	-	424,128	374,234
Darshan Patel	-	-	-	-	413,250	178,442	-	-	-	-	-	-	-	-	413,250	178,442
K. M. Patel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,600
Saurabh Soparkar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	495,000

NOTES TO THE FINANCIAL STATEMENTS

Note - 32 AS-30

DISCLOSURES ON FINANCIAL DERIVATIVES

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 ₹ 4,61,99,399/- during the financial year 2012-13 (during financial year 2011-12 ₹ 17,90,51,761). During the financial year 2012-13 ₹ 9,09,20,514/- has been recycled from the reserves and debited to the Statement of Profit and Loss (during financial year 2011-12 ₹ 1,87,01,520 was credited to Statement of Profit and Loss).

The ineffective portion of the change in fair value of such instruments is recognized in the Profit and Loss in the period in which they arise. During the financial year 2012-13 ₹ NIL (during financial year 2011-12 ₹ 59,46,659) was charged to Profit and Loss being the ineffectiveness portion of the effective hedging instrument. 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 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	31st March 2013		No. of Contracts	31st March 2012	
		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	23	312,138,750	2,078,053	42	585,005,000	(50,991,217)
2) Forward Contracts for payables including firm commitments and highly probable forecasted transactions	-	-	-	2	108,866,414	1,994,180
3) Currency Swaps (ECB & NCD)	5	1,509,310,772	(208,402,603)	5	1,574,175,131	(136,063,261)
4) Option Contracts	-	-	-	5	534,135,000	(108,736,270)
5) Interest Rate Swap	4	1,214,711,614	(18,154,779)	4	1,138,295,727	(20,430,069)
Total of Derivative Contracts entered into for Hedging Purpose		**3,036,161,136**	**(224,479,329)**		**3,940,477,272**	**(314,226,637)**

NOTES TO THE FINANCIAL STATEMENTS

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

PARTICULARS	No. of Contracts	31st March 2013		No. of Contracts	31st March 2012	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
1) Options	-	-	-	5	534,135,000	(108,736,270)
2) Cross Currency Swaps	1	298,686,927	36,880,578	-	-	-
3) Interest Rate Swaps	4	1,214,711,614	(18,154,779)	4	1,138,295,727	(20,430,069)
Total of Derivative Instrument ineffective under AS 30		**1,513,398,541**	**18,725,799**		**1,672,430,727**	**(129,166,339)**

Foreign Currency Exposure that are not hedged by derivative instruments as on 31st March, 2013 amounted to ₹ 154,26,12,930 (P.Y. ₹ 92,00,65,794)

Note - 33 CONTINGENT LIABILITIES and COMMITMENTS
A NOT PROVIDED FOR IN THE ACCOUNTS

PARTICULARS	(Figures in ₹)	
	As at 31st March 2013	As at 31st March 2012
In respect of Bank Guarantee	113,140,173	114,259,433
In respect of Letter of Credit	57,524,892	9,416,962
In respect of Corporate Guarantee	1,878,550,000	1,782,081,032

Name of Statute	Nature of Dues	As at 31st March 2013	As at 31st March 2012	Forum where Dispute is pending
Income Tax Act.	Income Tax / Penalty for Various Financial. Years. 1999-2000, 2002-2003 to 2008-2009	64,122,383	80,242,733	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/Penalty/Interest (Financial Year 2007-2008 to 2010-2011)	36,382,771	47,106,974	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 (Financial Year 2007-2008 to 2010-2011)	23,302,429	16,832,611	Commissioner of Central Excise /Deputy Commissioner of Central Excise/Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	15,548,971	10,196,217	Labour Court
Value Added Tax	Input Tax Credit	18,246,501	4,582,628	The Joint Commercial Tax Commissioner Appeal 1

B The estimated amount of contracts remaining to be executed on capital accounts of ₹ 11,17,48,008 (Previous Year: ₹ 3,46,62,506) is not provided for.

Signature to Notes 1 to 33

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To,

The Board of Directors

Meghmani Organics Limited

Ahmedabad.

We have audited the attached Consolidated Financial Statements of **MEGHMANI ORGANICS LIMITED** (the "Company") and its Subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards 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 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 and error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1. Financial statements/consolidated financial statements of subsidiaries and interest in joint venture which reflect total assets of ₹ 5,94,68,90,138/- as at 31st March, 2013, total revenue of ₹ 3,02,89,25,729/- and Net cash flows amounting to ₹ (11,34,95,828/-) for the year then ended, have been audited by us.
2. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹ 29,70,81,499/- as at 31st March, 2013, total revenue of ₹ 54,64,49,108/- and Net cash flows amounting to ₹ 77,79,130/- for the year then ended. This financial statement and other financial information have been audited by other Auditor whose report has been furnished to us and our opinion is based solely on the report of such other auditor.
3. We have relied on the un-audited financial statements of three Subsidiaries whose consolidated financial statements reflect total assets of ₹ 32,04,98,568/- as at 31st March, 2013, total revenue of ₹ 46,90,35,788/- and Net Cash flow of ₹ 1,83,99,424/- for the year then ended. These un-audited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report is in so far as it related to the amounts included in respect of the subsidiaries, is based solely on such approved un-audited financial statements.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirement of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 27, Financial Reporting of Interest in Joint Ventures, notified by Companies (Accounting Standards) Rules, 2006.

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements/consolidated financial statements of the subsidiaries and interest in joint venture as noted in para 1 to 3 above, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013

ii. In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date AND

iii. In case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

FOR M/S PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647 W
M. M. KHANDWALA
P A R T N E R
M. NO.: 32472

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

Consolidated Balance Sheet As At 31st March 2013

PARTICULARS	Note No.	(Figures in ₹)	
		31st March, 2013	31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	254,314,211	254,314,211
(b) Reserves and surplus	3	4,765,926,397	4,505,307,394
Minority Interest		796,982,624	567,853,787
(2) Non-current liabilities			
(a) Long-term borrowings	4	4,216,609,194	4,992,708,776
(b) Deferred tax liabilities (Net)	5	233,823,057	210,309,276
(c) Long-term provisions	6	309,493,541	411,493,621
(3) Current liabilities			
(a) Short-term borrowings	7	2,159,134,235	1,977,342,964
(b) Trade payables	8	1,498,523,525	1,117,591,415
(c) Other current liabilities	9	1,204,292,429	943,939,365
(d) Short-term provisions	10	67,257,242	72,060,590
TOTAL		**15,506,356,455**	**15,052,921,399**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		6,135,757,617	6,400,315,913
(ii) Intangible assets		97,722,393	156,347,906
(iii) Capital work-in-progress		1,608,005,119	850,326,740
(iv) Intangible assets under development		38,942,436	6,826,947
(b) Non-current investments	12	5,602,750	5,602,750
(c) Deferred tax assets (Net)	13	32,245,331	203,561,980
(d) Long-term loans and advances	14	381,853,616	236,458,963
(e) Other non-current assets	15	263,230,511	154,215,343
(2) Current assets			
(a) Current investments		240,431,287	190,124,829
(b) Inventories	16	1,810,909,711	1,722,269,948
(c) Trade receivables	17	3,429,428,045	3,326,312,661
(d) Cash and Bank Balance	18	98,802,599	440,150,898
(e) Short-term loans and advances	19	1,181,958,621	1,108,738,729
(f) Other current assets	20	181,466,419	251,667,792
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 35		
TOTAL		**15,506,356,455**	**15,052,921,399**

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

Consolidated Statement of Profit and Loss for the year ended on 31st March 2013

Particulars	Note No.	(Figures in ₹)	
		31st March, 2013	31st March, 2012
Income			
Revenue from Operation		11,586,125,588	11,594,701,260
Less: Excise Duty		1,001,286,363	972,299,202
Net Revenue from Operation	21	10,584,839,225	10,622,402,058
Other Income	22	134,322,127	126,348,615
Total Income		**10,719,161,352**	**10,748,750,673**
Expenditure			
Raw Materials Consumption	23	5,803,850,384	5,969,302,769
Trading Purchases		500,694,171	873,035,308
(Increase)/Decrease in Stock	24	(150,839,025)	(270,413,490)
Employees Emoluments	25	488,338,093	487,078,970
Financial Expenses	26	643,270,034	735,098,171
Depreciation	11	751,213,020	746,586,958
Other Expenses	27	2,091,645,596	1,981,731,575
Total Expenditure		**10,128,172,273**	**10,522,420,261**
Profit Before Extraordinary Items & Tax		**590,989,079**	**226,330,412**
Exceptional Items		-	-
Extraordinary Item	28	8,728,177	-
Profit Before Tax		**582,260,902**	**226,330,412**
Payment & Provision of Current Tax		117,349,470	62,171,850
(Excess) / Short Provision of Tax of Eariler Years		(12,849,641)	-
Deferred Tax	5	194,830,429	128,941,093
Profit for the year		**282,930,644**	**35,217,469**
Minority Interest		110,761,917	379,000
Profit available for Appropriation		**172,168,727**	**34,838,469**
Basic and Diluted Earning Per Share of face value of ₹ 1 each	29		
before Extraordinary item		**0.71**	**0.14**
after Extraordinary item		**0.68**	**0.14**
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 35		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
A. Cashflow from Operating Activities		
Net Profit Before Tax	582,260,902	226,330,412
Adjustment for :		
Depreciation	751,213,020	746,586,958
Unrealised Foreign Exchange	56,003,957	23,468,594
Mark to Market Loss on Derivative	(87,503,494)	(95,350,547)
Liability no longer Required	(1,022,225)	-
Expenses amortised during the year	3,359,194	-
Interest and Finance Charges	643,270,034	735,098,171
Wealth Tax Presented under rates & taxes	786,279	951,241
Dividend Received	(30,001)	(5,653,105)
Interest Received	(17,041,345)	(16,101,834)
Profit / Loss on Sale of Investment	(558,934)	1,107,455
Loss on Sale of Fixed Assets (Net)	4,093,329	(6,970,538)
Operating Profit before working capital changes	**1,934,830,716**	**1,609,466,807**
Adjustment for:		
Inventories	(76,258,121)	(197,524,795)
Trade Receivables	(95,168,056)	113,406,042
Short Term Loans and Advances	(141,486,262)	(85,634,068)
Other Current Assets	137,964,277	149,654,564
Long Term Loans and Advances	(15,389,687)	(6,736,790)
Trade Payables	410,812,408	(74,832,090)
Other Current Liabilities	(265,146)	(253,346,196)
Provisions	(9,337,648)	148,615,068
Sub Total	**210,871,765**	**(206,398,265)**
Cash Generated from operation	**2,145,702,481**	**1,403,068,542**
Direct Taxes Paid (Net)	(97,279,383)	(62,994,964)
Net Cash from operating activities	**2,048,423,098**	**1,340,073,578**
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(1,086,132,748)	(1,087,514,017)
Fixed Deposits made	(13,421,296)	(414,594,000)
Fixed Deposits withdrawn	156,617,078	396,176,922
Capital Advances	(128,611,571)	(36,263,547)
Deferred Payment to GIDC	9,996,881	-
Dividend Received	30,001	5,653,105
Interest Received	32,553,675	18,975,266
Purchase of Mutual Fund	(532,721,664)	(190,000,000)
Sales of Mutual Fund	494,691,997	352,354,856
Investment in Subsidiaries	-	(15,727,099)
Minority Interest	118,365,390	-
Sale of Fixed Assets	10,128,147	218,678,689
Net Cash Used in Investing Activities	**(938,504,110)**	**(752,259,825)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
C. Cash flow from financing Activities		
Dividend paid	(25,260,988)	(101,195,706)
Tax on dividend	(4,125,612)	(16,502,449)
Interest and Finance Charges Paid	(721,320,776)	(743,427,397)
Long Term Option Derivatives	-	95,350,547
Short Term Borrowings	56,923,181	584,345,575
Proceeds from Other Borrowing	1,453,180,194	1,899,461,140
Other Borrowing Repaid	(1,625,600,000)	(2,482,545,692)
Proceeds from Bank Borrowing (Term Loan)	-	2,839,266,842
Bank Borrowing (Term Loan) - Repaid	(454,954,934)	(2,579,464,423)
Net Cash Used in Finanacing Activities	**(1,321,158,935)**	**(504,711,563)**
Net (Decrease) / Increase in Cash and Cash Equivalent	**(211,239,947)**	**83,102,190**
Cash on Hand - Opening Balance	**280,855,463**	**219,868,566**
Cash on Hand - Closing Balance	**69,615,516**	**302,970,756**
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	**98,802,599**	**440,150,898**
Less - Fixed Deposit in Bank not consider as Cash and Cash Equivalent	2,694,142	159,295,435
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts (Includes ₹ 18,77,351 (P.Y. ₹ 17,66,918) Pertains to Unpaid Dividend & IPO Refund Account being restricted for use)	93,275,863	140,830,050
Fixed Deposit with Bank	-	138,000,000
Cash on Hand	2,832,594	2,025,413
Cash and Cash Equivalents	**96,108,457**	**280,855,463**
Net effect of Exchange rate change on consolidation	(26,492,941)	22,115,293
Cash & Cash Equivalent at the end of the year	**69,615,516**	**302,970,756**

Notes to the cash flow statement for the year ended on 31st March, 2013

(1) The Cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash flow statement" issued by the Institute of Chartered Accountants of India.

(2) Figures in brackets indicate cash outgo.

(3) The previous year figures have been regrouped/restated wherever necessary to conform to this year's classification.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

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".

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 recognized 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 recognized 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.

2. Investments other than in Subsidiaries and Associates have been accounted as per Accounting standard (AS) 13 "Accounting for Investments".

3. **Other significant accounting policies :-**

These are set out under "Significant Accounting Policies "as given in the Stand alone Financial Statements of Meghmani Organics Limited".

a. The Subsidiary Companies considered in the Financial Statements are :-

Name of the subsidiaries	Country of Domicile	Proportion of Ownership Interest
Meghmani Finechem Limited	India	57%
Meghmani Energy Limited	India	100%
Meghmani Europe BVBA	Belgium	100%
Meghmani Organics USA Inc.	USA	100%
Meghmani Chemtech Limited	India	97%
PT Meghmani Organics Indonesia	Indonesia	100%
Meghmani Overseas FZE	Dubai	100%

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 29th March, 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 speculative 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 test 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 effective. 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 CONSOLIDATED FINANCIAL STATEMENTS

2 SHARE CAPITAL

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
AUTHORISED		
370,000,000 Equity Shares (Previous Year : 370,000,000)		
Each share of ₹ 1/-	370,000,000	370,000,000
	370,000,000	**370,000,000**
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES		
254,314,211 Equity Shares (Previous Year : 254,314,211)		
Each share of ₹ 1/- Fully Paid up	254,314,211	254,314,211
TOTAL	**254,314,211**	**254,314,211**

Reconciliation of No. of Shares

PARTICULARS	No. of Shares		(Figures in ₹)	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
As at beginning of the year	254,314,211	254,314,211	254,314,211	254,314,211
Add :				
Issued During the year	-	-	-	-
Less :				
Shares bought back etc.	-	-	-	-
As at closing of the year	**254,314,211**	**254,314,211**	**254,314,211**	**254,314,211**

Details of Shareholding

PARTICULARS	No. of Shares		(Figures in ₹)	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Number of Shares held by Shareholders holding more than 5% Shares				
DBS Nominees (P) Ltd.	51,228,150	53,116,650	51,228,150	53,116,650
Mr. Jayanti Patel	18,873,946	18,873,946	18,873,946	18,873,946
Mr. Ashish Soparkar	24,585,410	24,458,090	24,585,410	24,458,090
Mr. Natwarlal Patel	25,910,477	25,532,130	25,910,477	25,532,130
Mr. Ramesh Patel	16,354,120	16,354,120	16,354,120	16,354,120
TOTAL	**136,952,103**	**138,334,936**	**136,952,103**	**138,334,936**

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

The Company has declared dividend of ₹ 2,54,31,421 (Previous Year ₹ 2,54,31,421 representing 10% (Previous Year 10%) Paid up Capital and ₹ 0.10 per share (Previous year ₹ 0.10 per share) out of accumulated profit of the previous years.

Particulars of NRI Shareholders to whom Dividend is remitted.

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Amount of Final Dividend Remitted	5,311,665	21,246,660
No. of Shareholders	1	1
No. of Shares held	53,116,650	53,116,650
Year / Period to which Dividend relates	2011-12	2010-11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
(1) Securities Premium Account		
As per last year accounts	1,565,048,295	1,565,048,295
Add : Addition during the year	-	-
	1,565,048,295	**1,565,048,295**
(2) Capital Reserve		
As per last year accounts	**19,871,023**	**19,872,553**
(3) General Reserve		
As per last year accounts	609,270,348	604,270,348
Add : Transferred from Profit and Loss Account	-	5,000,000
	609,270,348	**609,270,348**
(4) Capital Redemption Reserve		
As per last year accounts	**18,432,980**	**18,432,980**
(5) Debenture Redemption Reserve		
As per last year accounts	82,551,224	-
Add : Addition during the year	56,214,919	82,551,224
	138,766,143	**82,551,224**
(6) Currency Translation Reserve		
As per last year accounts	10,641,980	5,334,630
Add : Addition during the year	11,165,507	5,307,350
	21,807,487	**10,641,980**
(7) Hedge Reserve		
As per last year accounts	(210,132,453)	-
Add : Addition during the year	107,039,790	(210,132,453)
	(103,092,663)	**(210,132,453)**
(8) Surplus in Profit & Loss Account		
As per last year accounts	2,409,622,467	2,491,892,255
Add : Profit for the year	172,168,727	34,838,469
	2,581,791,194	2,526,730,724
Less : Appropriation		
Transfer to General Reserve	-	5,000,000
Debenture Redemption Reserve	56,214,919	82,551,224
Proposed Dividend	25,431,421	25,431,421
Tax on Dividend	4,322,070	4,125,612
	85,968,410	117,108,257
	2,495,822,784	**2,409,622,467**
TOTAL	**4,765,926,397**	**4,505,307,394**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4 LONG TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
SECURED		
Privately Placed Non - Convertible Debentures :		
10.40% Non - Convertible Debenture redeemable at par In Indian currency	1,000,000,000	1,000,000,000
Term Loan Facilities from Banks :		
In Indian currency	1,772,332,520	1,987,160,704
In Foreign currency	1,444,276,674	1,915,548,072
Unsecured Loan Facilities from Banks :		
In Indian currency	-	90,000,000
In Foreign currency	-	-
TOTAL	**4,216,609,194**	**4,992,708,776**

Details of Security and Repayment Terms

1 Secured Non-Convertible Debentures of ₹ 100,00,00,000/- are secured by way of pari passu charge on Mortgage of immoveable and moveable properties situated at GIDC Vatva, GIDC Panoli, GIDC Ankleshwar and Village Chharodi, Taluka Sanand, District - Ahmedabad.

2 Redemption Detail of 10.40 % Non Convertible Debentures of ₹ 1,000,000,000

Amount of Redemption	Date of Redemption
₹ 500,000,000	12th October, 2014
₹ 500,000,000	12th October, 2015

3 External Commercial Borrowing of US$ 1,10,00,000 equivalent to ₹ 51,13,90,000 from Standard Chartered Bank, Ahmedabad. The facility is secured by First charge on all the Present and Future Movable Fixed assets financed under term loan including movable fixed assets held at CH-1-2/A. GIDC Dahej, Taluka Vagra, Bharuch and repayable in 13 Installment amount of US$ 785,400 of Each & Last Instalment of US$ 789,800 and interest @3 Month LIBOR + 2.5%.

4 The Group Company Meghmani Finechem Limited as made prepayment of outstanding Term loan of ₹ 2,148,291,572 to State Bank of India in its capacity as Security Trustee for the lenders State Bank of India (SBI), Bank of India (BOI), Bank of Maharashtra (BOM) State Bank of Bikaner and Jaipur (SBBJ) and Karur Vysya Bank (KVB) i.e. all consortium Banks. The Company has filed Form No. 17 with ROC to satisfy the charges, created under the Companies Act, 1956. To satisfy the revenue charges the Company has executed deed of "Release and Confirmation" to release the Mortgage charge of ₹ 2,900,000,000 Crores created in favour of Consortium Bank vide Registration Serial No. 1789 dated 16th June, 2010 with Sub Registrar, Vagra, Bharuch. Thereby the Charges of ₹ 2,900,000,000 created in favour of ROC and Registered with Sub - Registrar Vagra Stands satisfied.

5 The Group Company Meghmani Finechem Limited has repaid working capital facility of ₹ 310,000,000 from State Bank of India and ₹ 140,000,000 availed from Bank of India aggregating to ₹ 450,000,000. The Company has filed Form No. 17 with Registrar of Companies to satisfy the charge created. The Company is in process of executing the documents with Sub Registrar Vagra to satisfy the revenue charges created by way of collateral security given for entire facility by execution of Indenture of Mortgage to extend Second Pari passu charge on the immovable property of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6	ICICI Bank Limited has re-financed term loan of ₹ 2,200,000,000 to Meghmani Finechem Limited. The entire facility of ₹ 2,200,000,000 has been secured by Deed of Hyothecation dated 30th January, 2012. The whole of movable properties of the Company, including its movable plant & machinery, machinery spares, tools and accessories other movables both Present and Future where ever situated including Raw Material, Stock in Process, Finished Goods, Book Debts & Bills . 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 with (1) First pari passu charge on movable fixed assets for (1) US $ 20,000,000 to IFC Washington USA (2) US $ 15,000,000 to Standard Chartered Bank, London.
7	The Group Company Meghmani Finechem Limited has availed a Foreign Exchange Term Loan by way of External Commercial Borrowing of US$ 20,000,000 (₹ 864,548,645) 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 Exchange Term Loan of External Commercial Borrowing of US $ 20,000,000 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 on interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US$ 20,000,000 from International Finance Corporation (IFC) is 1.80% per annum above 6 months LIBOR. The repayment started from October 2011 in 14 half yearly equal instalments.
8	The Group Company Meghmani Finechem Limited has availed US$ 15,000,000 (₹ 690,975,000) External Commercial Borrowing (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. (2) the Second Pari passu charge on all present and future stock in trade consisting of Raw Material, Stock in process of manufacturing etc. (3) Second Pari Passu charge on all Present and Future Book Debts, Outstanding Moneys, Receivables Claims and Bills etc. The rate on interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US$ 15,000,000 from Standard Chartered Bank (SCB) is 2.80% per annum above 3 months LIBOR. The repayment started from May 2013 in 14 quarterly equal installments.
9	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 ₹ 2,200,000,000 of ICICI Bank and ECB of US$ 15,000,000 (₹ 765,000,000) of Standard Charterd Bank, London. Along with this the indenture of mortgage created to secured term loan by way of ECB availed from IFC of US$ 20,000,000 exists.
10	The Group Company Meghmani Energy Limited has availed US$ 25,00,000 (Equivalent to ₹ 10,15,12,500 as per the prevailing rate) External Commercial Borrowing from ICICI Bank Limited - Bahrain disbursed in June 2007 @ 6 months LIBOR + 1.28% rate of interest repayable on 12 half yearly equal instalments starting from December 2008. The said term loan is secured by exclusive charge on all movable and immovable Fixed Assets located at Plot no - 398, Village Chharodi Ta. Sanand Dist. Ahmedabad.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5 DEFERRED TAX LIABILITIES (NET)

Major Components of Deferred Tax:

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Deferred Tax Liability:		
Difference in value of Fixed Asset due to depreciation and other allowances	240,981,271	214,951,325
Deferred Tax Assets:		
Disallowance u/s 43B of Income Tax Act, 1961	7,158,214	4,642,049
TOTAL	**233,823,057**	**210,309,276**

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 current year losses and unabsorbed depreciation.

2. The Group Company Meghmani Finechem Limited has recognized deferred tax assets on unabsorbed losses and unabsorbed depreciation in view of utilisation of full capacity in subsequent year being sufficient evidence for substantiating the virtual certainty of recoverability of losses.

6 LONG TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Provision for Employee Benefits (See Note No - 10)	1,961,823	2,291,405
Fair Value of Financial Derivatives (See Note (i) below)	307,531,718	409,202,216
TOTAL	**309,493,541**	**411,493,621**

Note :

(i) Movement of Provision of Financial Derivatives as per AS - 29

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Opening Balance	409,202,216	-
Addition during the year	92,567,372	409,202,216
Used during the year	194,237,870	-
Closing Balance	**307,531,718**	**409,202,216**

7 SHORT TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Secured Loans		
Working Capital Facilities from Banks :		
In Indian currency	1,824,815,164	1,497,254,755
In Foreign currency	-	-
Unsecured Loans		
From Banks - In Indian Currency	334,319,071	371,317,459
From Banks - In Foreign Currency	-	108,770,750
TOTAL	**2,159,134,235**	**1,977,342,964**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note :-

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 9.65% to 13.75% (both inclusive) and are secured by :-

(a) First Pari Passu charge created on 25.05.2005 to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) by way of hypothecation of the entire stock of raw materials, work in process, finished goods, stores and spares and receivables.

(b) First Pari Passu charge on immovable properties to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) as collateral security for the working capital facilities.

(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;
- (iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar.

8 TRADE PAYABLE

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Micro, Small and Medium Enterprises	54,004,035	40,345,787
Others	1,444,519,490	1,077,245,628
(See Notes below)		
TOTAL	**1,498,523,525**	**1,117,591,415**

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 reconciled 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 and accordingly company has provided for interest of ₹ 2,232,402 (Previous Year ₹ 1,632,377) being payable as required under the said act.

iii The Group Company Meghmani Finechem Limited has entered into a contract for High Sea Purchase of Coal with one supplier. However, as per the terms of contract the Company get piecemeal delivery of the goods. Therefore the Company is accounting for purchase on delivery basis of the goods. This accounting treatment does not affect the Profit or Loss of the Company.

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
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	54,384,080	40,930,686
Interest Amount	2,232,402	1,632,377
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 this MSMED Act;	552,476	824,076
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	911,765	1,135,815
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.	839,879	1,122,934

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 OTHER CURRENT LIABILITIES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Current maturities of long-term debt	795,738,654	656,875,632
Interest accrued but not due on borrowings	33,035,248	38,390,724
Deferred Payment to GIDC	9,996,881	-
Employee Benefit Payable	42,350,086	38,182,154
Advance Received from Customer	65,661,287	28,978,712
Statutory Payments	83,128,042	68,534,031
IPO Refund Payable (See Note (i) & (ii) below)	106,400	106,400
Unpaid Dividend (See Note (ii) below)	1,770,951	1,600,518
Proposed Dividend & provision of tax on Dividend	29,753,491	29,557,033
Payable for retention money	5,453,611	11,526,733
Payable - Capital Goods	135,065,376	68,555,051
Interest as per MSMEDA, 2006 (See Note No - 8(ii))	2,232,402	1,632,377
TOTAL	**1,204,292,429**	**943,939,365**

Notes :

(i) IPO Refund Payable represents share application money received at the time of IPO and pending for refund due to non-traceability of investors. The Company has kept the balance of such money in a separate account with Bank and as informed to statutory authorities no interest thereon is provided.

(ii) There is no amount outstanding in respect of IPO Refund and Unpaid Dividend to be transferred to Investor Education and Protection Fund under Section 205 of the Companies Act, 1956.

10 SHORT TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Wealth Tax Payable	565,711	525,000
Current Tax Payable	40,247,209	46,669,187
Provisions for Employee Benefits (See Notes - 31)	26,444,322	24,866,403
TOTAL	**67,257,242**	**72,060,590**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Fixed Assets As on 31st March 2013

(Figures in ₹)

Sr. No.	Particulars	Gross Block					Depreciation					Net Block	
		Opening	Addition	Deduction	Transfer & Ex. Rate Diff.	Closing	Opening For the Year	Provision	Deduction	Transfer & Ex. Rate Diff.	Closing	Closing Balance 31st March, 2013	Closing Balance 31st March, 2012
	Tangible Assets												
1	Freehold Land	29,203,314	-	-	154,191	29,357,505	-	-	-	-	-	29,357,505	29,203,314
2	Leasehold Land	332,297,201	81,681,393	-	-	413,978,594	15,323,559	4,535,415	-	-	19,858,974	394,119,620	316,973,642
3	Building	1,583,460,831	163,220,906	-	1,265,639	1,747,947,376	198,919,631	50,156,518	-	178,206	249,254,355	1,498,693,021	1,384,541,200
4	Plant & Machinery	7,168,759,847	162,574,323	5,719,929	-	7,325,614,241	2,615,201,361	619,960,352	4,851,543	-	3,230,310,170	4,095,304,071	4,553,558,486
5	Furniture & Fixtures	48,723,167	3,379,748	-	35,857	52,138,772	24,377,548	2,966,809	-	39,695	27,384,052	24,754,720	24,345,619
6	Vehicles	100,984,663	22,244,748	15,279,065	(194,600)	107,755,746	33,346,354	9,764,009	6,473,349	(76,004)	36,561,010	71,194,736	67,638,309
7	Computers	32,713,489	1,035,650	79,086	(3,829)	33,666,224	24,839,586	2,111,942	65,117	5,590	26,892,001	6,774,223	7,873,903
8	Other Equipments	25,453,345	1,037,916	209,738	(8,584)	26,272,939	9,271,904	1,487,306	43,510	(2,482)	10,713,218	15,559,721	16,181,441
	Total	**9,321,595,857**	**435,174,684**	**21,287,818**	**1,248,674**	**9,736,731,397**	**2,921,279,943**	**690,982,351**	**11,433,519**	**145,005**	**3,600,973,780**	**6,135,757,617**	**6,400,315,914**
	Intangible Assets												
1	Software Licences	36,640,281	210,000	159,425	-	36,690,856	13,203,675	7,281,479	-	-	20,485,154	16,205,702	23,436,606
2	Product Licences	110,422,139	1,758,805	-	(311,272)	111,869,672	52,896,914	19,116,072	-	(107,048)	71,905,938	39,963,734	57,525,225
3	ETP Usage Rights	173,263,324	-	-	-	173,263,324	97,877,249	33,833,118	-	-	131,710,367	41,552,957	75,386,075
	Total	**320,325,744**	**1,968,805**	**159,425**	**(311,272)**	**321,823,852**	**163,977,838**	**60,230,669**	**-**	**(107,048)**	**224,101,459**	**97,722,393**	**156,347,906**
	Capital WIP												
1	Tangible Assets	850,311,087	920,924,176	139,874,844	(23,355,300)	1,608,005,119	-	-	-	-	-	1,608,005,119	850,311,087
2	Intangible Assets	6,826,947	32,665,489	550,000	-	38,942,436	-	-	-	-	-	38,942,436	6,826,947
	Total	**857,138,034**	**953,589,665**	**140,424,844**	**(23,355,300)**	**1,646,947,555**	**-**	**-**	**-**	**-**	**-**	**1,646,947,555**	**857,138,034**
	Grand Total	**10,499,059,635**	**1,390,733,154**	**161,872,087**	**(22,417,898)**	**11,705,502,804**	**3,085,257,781**	**751,213,020**	**11,433,519**	**37,957**	**3,825,075,239**	**7,880,427,565**	**7,413,801,854**
	Previous Year	**9,572,262,804**	**1,703,819,967**	**767,493,363**	**(9,529,773)**	**10,499,059,635**	**2,345,588,040**	**746,586,959**	**10,036,343**	**3,119,125**	**3,085,257,781**	**7,413,801,854**	**7,226,674,764**

i Capital WIP- Tangible Assets Includes Expenses during construction period ₹ 91,479,053/- (P.Y. ₹ 30,696,567/-)
ii Borrowing cost Capitalised during the year ₹ 115,957,014/- (P.Y. ₹ 102,336,521/-)
iii Depreciation Includes ₹ 1,296,518/- Pertains to Prior Period Expenses

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

(Figures in ₹)

Sr. No.	Particulars	Gross Block					Depreciation					Net Block	
		Opening	Addition	Deduction	Transfer & Ex. Rate Diff.	Closing	Opening For the Year	Provision	Deduction	Transfer & Ex. Rate Diff.	Closing	Closing Balance 31st March, 2013	Closing Balance 31st March, 2012
	Tangible Assets												
1	Building	1,144,279				1,144,279	105,768	36,308			142,076	1,002,203	1,038,511
2	Plant & Machinery	21,511,966	525,000			22,036,966	10,672,970	1,543,978			12,216,948	9,820,018	10,838,996
3	Furniture & Fixtures	2,644,103				2,644,103	422,847	159,003			581,850	2,062,253	2,221,256
4	Vehicles	955,980				955,980	279,097	86,278			365,375	590,605	676,883
5	Computers	241,400				241,400	61,769	37,174			98,943	142,457	179,631
6	Other Equipments	236,881				236,881	36,724	11,006			47,730	189,151	200,157
	Sub Total	**26,734,609**	**525,000**	**-**	**-**	**27,259,609**	**11,579,175**	**1,873,747**	**-**	**-**	**13,452,922**	**13,806,687**	**15,155,434**
	Intangible Assets												
1	Product Licences	35,220,076	1,719,805			36,939,881	10,834,419	7,227,376			18,061,795	18,878,086	24,385,657
	Sub Total	**35,220,076**	**1,719,805**	**-**	**-**	**36,939,881**	**10,834,419**	**7,227,376**	**-**	**-**	**18,061,795**	**18,878,086**	**24,385,657**
	Total	**61,954,685**	**2,244,805**	**-**	**-**	**64,199,490**	**22,413,594**	**9,101,123**	**-**	**-**	**31,514,717**	**32,684,773**	**39,541,091**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
(1) Other Investments		
(i) 4 Equity Shares of Alaukik Owners Association of ₹ 100 each - unquoted	400	400
(ii) 491,585 Equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of ₹ 10 each	4,915,850	4,915,850
(iii) 14,000 Equity Shares of Bharuch Eco Environ Infrastructure Ltd. of ₹ 10 each	140,000	140,000
(iv) 500 Equity Shares of Green Environment Services Co.Op.Soc.Ltd. of ₹ 10 each	5,000	5,000
(v) 30,000 Equity Shares of Panoli Enviro Technology of ₹ 10 each	300,000	300,000
(vi) 100 Equity Shares of Sanand Eco Project Limited of ₹ 10 each	1,000	1,000
(vii) 2,000 Equity Shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50 each	100,000	100,000
(viii) 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	38,000	38,000
Total (I)	**5,500,750**	**5,500,750**
(II) Other Non-Current Investments - Fully Paid		
(i) 2,000 Equity Shares of Saket Project Ltd. of ₹ 100 each - Quoted	20,000	20,000
(ii) 8,200 Equity Shares of Lanzorate Finance Limited of ₹ 10 each - Quoted	82,000	82,000
Total (II)	**102,000**	**102,000**
TOTAL(I+II)	**5,602,750**	**5,602,750**

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
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 ₹)	
	31st March 2013	31st March 2012
Non-Current	5,582,750	5,582,750
Current	-	-
Aggregate Value of Provision For Diminution in Value	Nil	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note

i Given below are the financials of Jointly controlled entity, Trience Speciality Chemicals Pvt. Ltd. related to the company's interests of 39% (P.Y. 32.60%)

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Assets	1,133,838	2,920,666
Liabilities	943	191,864
Incomes	-	-
Expenses	2,119,197	1,171,199

To set up the CPVC Plant at GIDC Dahej, Bharuch, Meghmani Organics Limited, (Meghmani) Kaneka Corporation and Mitsui & Co. (Asia Pacific) Pvt. Ltd. (herein after called Joint Venture Partners) had formed the Trience Specialty Chemicals Pvt. Limited (Trience) a Joint Venture company having equity participation in the ratio of 39%, 41% and 20% respectively.

As per Capital Clause of Memorandum of Association of Trience, the Joint Venture Partners had to subscribe ₹ 10,00,00,000. Trience had called to subscribe ₹ 1,00,00,000/- to meet with the Preliminary expenses. Accordingly, Meghmani Organics Limited has subscribed ₹ 39,00,000/- towards its share.

Joint Venture Partners could not complete the Second Stage Conditions prescribed in Articles by 30th September, 2012. Hence as per Clause 10.3 of Articles of Association the Primary Joint Venture Agreement has been automatically terminated and the Company is going ahead with the voluntary liquidation. As a result Meghmani will not have to now subscribe uncalled amount of the Trience.

13 DEFERRED TAX ASSETS (NET)

Major Components of Deferred Tax:

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Deferred Tax Liability:		
Difference in value of Fixed Asset due to depreciation and other allowances	293,928,504	304,526,677
Deferred Tax Assets:		
Unabsorbed loss & Depreciation and Disallowance Under Section 43B of income tax Act, 1961	326,173,835	508,088,657
TOTAL	**32,245,331**	**203,561,980**

14 LONG TERM LOANS AND ADVANCES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Capital Advances	288,181,053	158,965,686
Security Deposits	89,582,447	75,843,092
Balance with Government Authorities	4,090,116	1,650,185
TOTAL	**381,853,616**	**236,458,963**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15 OTHER NON CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Unamortised Upfront Charges on borrowings	49,716,040	53,075,234
Derivative Assets	190,316,827	91,347,976
Deposits for Margin Money with Banks exceeding one year (See Note (i) below)	23,197,644	9,792,133
TOTAL	**263,230,511**	**154,215,343**

Notes :-

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.

16 CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Other Investments		
Investments in Mutual Funds (Quoted/Unquoted) (Fully Paid/ Partly Paid)		
Morgan Stanley Multi Asset Fund	50,000,000	30,000,000
Religare Short Term Plan	-	40,000,000
Reliance Income Fund	50,000,000	-
Templeton India Low duration Fund	-	30,000,000
IDBI Liquid Fund Growth Plan	-	124,829
UTI Short Income Fund	-	50,000,000
IDBI Dynamic Bond Fund	-	40,000,000
Morgan Stanley Active	50,000,000	-
Birla Sun Life Dynamic	50,000,000	-
Reliance Liquid Fund	10,240,392	-
Religare Ultra S T F	20,110,539	-
The ING Treasury Adv Fund	10,080,356	-
TOTAL	**240,431,287**	**190,124,829**

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Aggragate Value of Quoted Investment		
Current:		
Carrying Amount	240,431,287	190,124,829
Market Value	244,765,158	191,875,245

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17 INVENTORIES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Raw Materials	525,703,045	590,144,051
Work In Process	65,567,815	64,788,345
Finished Goods	689,648,396	595,259,967
Finished Goods in Transit	170,398,865	67,976,323
Trading Goods	219,021,178	265,772,592
Stores & Spares	95,858,011	93,935,581
Others (Packing Material & Fuel)	44,712,401	44,393,089
(See Notes below)		
TOTAL	**1,810,909,711**	**1,722,269,948**

Notes

i The Company has written down the value of inventory and had charged the same to Raw Material Consumption (Refer Note No - 24), Packing Material Consumption (Refer Note No - 28) & Increase / Decrease in Stock (Refer Note No - 25) as under :-

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Raw Materials	2,296,773	-
Finished Goods	3,241,656	-
Trading Goods	5,803,134	-
Others (Packing Material & Fuel)	2,945,992	-
TOTAL	**14,287,555**	**-**

18 TRADE RECEIVABLES
(Unsecured and Considered Good)

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Exceeding Six Months	305,615,048	215,744,564
Others	3,123,812,997	3,110,568,097
TOTAL	**3,429,428,045**	**3,326,312,661**

(i) Includes ₹ 5,88,51,021 (Previous Year: ₹ 4,34,62,445) due from firm or a Company in which some of the Directors are interested.

(ii) 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 reconciled with Company's account. The other balances of Trade Receivables are subject to confirmation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19 CASH AND BANK BALANCES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Balance with Banks (Refer note (i) below)	93,275,863	140,830,050
Cash on hand	2,832,594	2,025,413
Fixed Deposit with Banks (Refer note (ii) below)	2,694,142	297,295,435
TOTAL	**98,802,599**	**440,150,898**

Notes :-

(i) The Current Account balance includes unpaid dividend of ₹ 1,770,951/- (P.Y. ₹ 1,660,518/-) and ₹ 106,400/- (P.Y. ₹ 106,400/-) towards IPO Refund Payable 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 with in one year and held as margin money.

20 SHORT TERM LOANS AND ADVANCES

Unsecured and Considered Good

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Balance with Government Department	799,357,104	655,367,127
Advance IT & TDS	104,787,642	115,016,484
Advance FBT	-	125,846
Prepaid Expenses	15,697,508	13,923,174
Advance Payment to Vendors	255,101,042	317,305,663
Staff Advances	7,015,325	7,000,435
TOTAL	**1,181,958,621**	**1,108,738,729**

21 OTHER CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Export Benefit Receivable	133,994,352	151,420,429
Insurance Claim Receivable	42,059,872	93,985,253
Interest Accrued	3,334,142	6,262,110
Derivative Assets	2,078,053	-
TOTAL	**181,466,419**	**251,667,792**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

22 REVENUE FROM OPERATIONS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Sale of Products	10,402,231,480	10,450,049,587
Other Operating Revenue	182,607,745	172,352,471
TOTAL	**10,584,839,225**	**10,622,402,058**

Break up of Sale of Products

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Pigments	2,608,738,459	2,656,682,920
Agro Chemicals	3,397,781,213	3,973,671,682
Basic Chemical	2,885,179,750	2,339,369,052
Others	1,510,532,058	1,480,325,933
TOTAL	**10,402,231,480**	**10,450,049,587**

23 OTHER INCOME

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Interest Income	17,041,345	13,887,343
Dividend Income From Others	30,001	5,653,104
Mark to Market Gain on Derivatives	109,536,947	70,663,087
OTHER NON OPERATING INCOME		
Provision no longer required	44,313	15,000,000
Commission - Export	376,182	3,172,408
Miscellaneous Income	5,601,840	2,241,840
Rent Received	199,650	199,650
Excess Provision of Gratuity Expenses	-	5,257,892
Profit on Sale of Fixed Assets	1,491,849	10,273,291
TOTAL	**134,322,127**	**126,348,615**

24 COST OF MATERIALS CONSUMED

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Pigments	2,254,660,750	2,107,835,635
Agro Chemicals	2,361,077,971	2,510,786,732
Basic Chemical	1,188,111,663	1,350,680,402
TOTAL	**5,803,850,384**	**5,969,302,769**

Includes Written down value of Raw Material of ₹ 2,296,773/- (P.Y. ₹ Nil) (Refer Note No - 17(i)).

Above expenses includes Research & Development related expenses as follows :-

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Agro Chemicals	24,506	110,690
TOTAL	**24,506**	**110,690**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
(A) Opening Stock		
(i) Finished Goods	533,641,764	487,876,752
(ii) Trading Goods	265,772,592	125,621,588
(iii) Excise duty on Finished Goods	61,618,205	57,727,617
(iv) Goods in Transit	67,976,323	21,572,494
(v) Work-in-Process	64,788,345	30,585,288
TOTAL (A)	**993,797,229**	**723,383,739**
(B) Closing Stock		
(i) Finished Goods (Refer Note (i) below)	620,639,140	533,641,764
(ii) Trading Goods (Refer Note (i) below)	219,021,178	265,772,592
(iii) Excise duty on Finished Goods	69,009,256	61,618,205
(iv) Goods in Transit	170,398,865	67,976,323
(v) Work-in-Process	65,567,815	64,788,345
TOTAL (B)	**1,144,636,254**	**993,797,229**
TOTAL (A - B)	**(150,839,025)**	**(270,413,490)**

Note :-

(i) Includes Written down value of Finished Goods of ₹ 3,241,656/- (P.Y. ₹ Nil) (Refer Note No - 17(i) & Trading Goods of ₹ 5,803,134 (P.Y. ₹ Nil) (Refer Note No - 17(i)).

26 EMPLOYEES EMOLUMENTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Salary & Wages	305,387,626	278,972,797
Directors Remuneration	26,899,629	61,497,436
Statutory Contribution	13,245,487	12,755,921
Staff Welfare Expenses	28,414,421	27,475,940
Labour Contract Charges	114,390,930	106,376,876
TOTAL	**488,338,093**	**487,078,970**

Above expenses includes Research & Development related expenses as follows :-

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Salary & Wages	5,122,583	3,240,159
Statutory Contribution	109,701	-
Staff Welfare Expenses	321,194	-
TOTAL	**5,553,478**	**3,240,159**

27 FINANCIAL EXPENSES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Interest	619,434,385	710,947,904
Other Financial Charges	23,835,649	24,150,267
TOTAL	**643,270,034**	**735,098,171**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

28 OTHERS EXPENSES

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Consumption of Stores and Spare Parts	131,162,010	104,947,776
Power and Fuel	736,280,126	598,506,716
Repairs to Buildings	13,007,868	8,339,877
Repairs to Machinery	73,871,509	78,031,957
Pollution Control Expenses	98,354,950	111,761,947
Rent (See Note - iii)	4,942,484	12,411,254
Rates and Taxes	10,574,206	11,564,765
Insurance	36,549,020	35,239,205
Packing Material Consumption (See Note - ii)	186,412,190	211,301,157
Profit / Loss on Sale on Investment	(558,934)	1,107,455
Loss on Sale of Fixed Asset	5,585,178	3,302,753
Gain/loss on Foreign Currency Transactions and Translation (Net)	74,506,028	97,778,064
Shipping / Air Lines Freight	174,768,714	166,911,108
Miscellaneous Expenses (See Note - i)	542,724,067	537,759,001
Payments to the Auditor		
(a) as Auditor	2,606,180	2,323,596
(b) for taxation matters	300,000	169,944
(c) for company law matters	300,000	-
(d) for other services	250,000	275,000
(e) for reimbursement of expenses	10,000	-
TOTAL	**2,091,645,596**	**1,981,731,575**

Notes :-

(i) Miscellaneous Expenses includes Excise Duty Expenses of ₹ 7,391,051 (P.Y. ₹ 3,890,588) Pertains to Variation in Stock of Finished Goods.

(ii) Packing Material Consumption includes Written down value of Packing Material of ₹ 2,945,992/- (P.Y. ₹ Nil) (See Note No - 17(i)).

(iii) 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 ₹ 4,942,484 (Previous Year: ₹ 12,411,254). Not later than 1 year ₹ 4,942,484 (Previous Year: ₹ 12,411,254)

Above expenses includes Research & Development related expenses as follows :-

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Consumption of Stores and Spare Parts	77,730	122,186
Power and Fuel	2,054,566	2,710,605
Rent	-	135,000
Repairs to Building	-	1,119
Repairs to Machinery	232,165	26,340
Miscellaneous Expenses	2,689,145	1,423,668
TOTAL	**5,053,606**	**4,418,918**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

29 EXTRAORDINARY ITEMS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Shortfall of Insurance Claim	8,728,177	-
TOTAL	**8,728,177**	**-**

Extra Ordinary Item consists of Short Claim Received from Insurance Company for Loss due to Fire during the Financial Year 2010-2011 presented as an Extra Ordinary Item. This being change in estimate as per AS - 5 and hence short claim has been shown as an Extra Ordinary Item.

30 EARNING PER SHARE

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Net Profit after tax attributable to shareholders before Extra Ordinary Item	180,896,904	35,217,469
Less - Extra Ordinary Item	8,728,177	-
Net Profit after tax attributable to shareholders after Extra Ordinary Item	172,168,727	35,217,469
Weighted average number of Equity Shares at the end of year	254,314,211	254,314,211
Nominal Value of Share	1	1
Basic / Diluted earning per share before Extra Ordinary items	0.71	0.14
Basic / Diluted earning per share after Extra Ordinary items	0.68	0.14

31 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, 2013.

(A) Defined Benefit Plans

I Components of Employer Expenses

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Current Service Cost	3,447,465	3,760,596	713,842	738,997
Interest Cost	3,203,592	3,717,772	222,524	184,208
Expected Return on Plan Assets	(1,578,677)	(1,725,107)	-	-
Actuarial (Gain)/Loss	150,785	(11,178,704)	(993,598)	168,857
Total Expenses/(Gain) recognized in the Profit & Loss Account	5,223,165	(5,425,443)	(57,232)	1,092,062

II Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Present value of Funded Obligation	42,623,268	37,689,312	1,859,631	2,102,364
Present value of Unfunded Obligation	-	-	501,169	515,560
Fair Value of Plan Assets	(25,554,350)	(18,572,671)	-	-
(Assets)/Liability recognized in the Balance Sheet	17,068,918	19,116,641	2,360,800	2,617,924

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

III Change in Defined Benefit Obligations (DBO)

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Opening balance of Present Value of Obligation	37,689,312	45,955,149	2,617,924	2,276,992
Current Service Cost	3,447,465	3,760,596	713,842	738,997
Interest Cost	3,203,592	3,717,772	222,524	184,208
Actuarial (Gain)/Loss	455,662	(10,754,551)	(993,598)	168,857
Benefit Paid	(2,172,763)	(4,989,654)	(199,892)	(751,130)
Closing Balance of Present Value of Obligation	42,623,268	37,689,312	2,360,800	2,617,924

IV Changes in the Fair Value of Plan Assets

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Opening Balance of Present Value of Plan Assets	18,572,671	18,688,677	-	-
Expected Return on Plan Assets	1,578,677	1,725,107	-	-
Actuarial Gain/(Loss)	304,877	424,153	-	-
Contribution by Employer	7,270,888	2,724,388	-	-
Benefit Paid	(2,172,763)	(4,989,654)	-	-
Fair Value of Plan Assets as at 31st March	25,554,350	18,572,671	-	-

V Actuarial Assumptions

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Discount Rate (per annum)	8.25%	8.50%	8.25%	8.50%
Expected Rate of Return on Assets p.a.	8.70%	8.50%	-	-
Annual Increase in Salary Costs p.a.	6.00%	6.00%	6.00%	6.00%
Attrition Rate	2.00%	2.00%	2.00%	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	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	0.00%	0.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

VII Movement in net liability recognized in Balance Sheet

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Net opening liability	19,116,641	27,266,472	2,617,924	2,276,992
P & L Charges	5,223,165	(5,425,443)	(57,232)	1,092,062
Contribution paid	(7,270,888)	(2,724,388)	(199,892)	(751,130)
Closing net liability	17,068,918	19,116,641	2,360,800	2,617,924

(B) Defined Contribution Plans

Amount recognized as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - ₹ 1,15,73,055/- (Previous year ₹ 1,11,88,369).

32 SEGMENT REPORTING

For Management purpose, the Group is currently organized 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 CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended on 31st March, 2013: (Figures in ₹)

	Pigments	Agro	Basic Chemical	Others*	Elimination	Total
Revenue						
External Sales	2,608,738,459	3,397,781,213	2,885,179,750	1,510,532,058	-	10,402,231,480
Other Operating Revenue	67,284,595	105,206,765	1,852,353	8,264,032	-	182,607,745
Inter-segment Sales	75,000	960,951,819	-	63,376,086	(1,024,402,905)	-
Total Revenue	2,676,098,054	4,463,939,797	2,887,032,103	1,582,172,176	(1,024,402,905)	10,584,839,225
Results						
Segment Results	227,288,566	137,677,698	839,496,663	(42,283,618)	55,008,458	1,217,187,767
Un-allocable (Expenses)/Income						17,041,345
Profit from Operation						**1,234,229,112**
Finance Cost						(643,270,034)
Investments Income						30,001
Profit Before Exceptional Items						**590,989,079**
Exceptional Items						-
Extraordinary Items						(8,728,177)
Profit Before Tax						**582,260,902**
Income Tax Expenses						(104,499,829)
Deferred Tax (Expenses)/Income						(194,830,429)
Profit After Tax						**282,930,644**
Capital Addition	156,327,327	185,929,394	78,688,442	16,198,330	-	437,143,493
Depreciation	(94,370,728)	(163,398,090)	(481,835,771)	(29,349,313)	17,740,882	(751,213,020)
Non-Cash Items	29,550,916	(110,063,632)	50,266,441	2,124,809	(39,871,581)	(67,993,047)
Assets						
Segment Assets	4,651,240,048	6,007,955,772	5,784,188,548	1,318,722,215	(2,392,783,101)	15,369,323,482
Un-allocable Corporate Assets						104,787,642
Deferred Tax Assets						32,245,331
Total Assets						**15,506,356,455**
Liabilities						
Segment Liabilities	2,196,127,138	3,152,689,211	3,945,905,642	1,010,680,517	(93,922,638)	10,211,479,870
Unallocable Liabilities						40,812,920
Deferred Tax Liabilities						233,823,057
Total Liabilities						**10,486,115,847**

*Others includes Trading Activity and Power Generation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended on 31st March, 2012: (Figures in ₹)

	Pigments	Agro	Basic Chemical	Others*	Elimination	Total
Revenue						
External Sales	2,656,682,920	3,973,671,682	2,339,369,052	1,480,325,932	-	10,450,049,586
Other Operating Revenue	47,491,219	117,717,288	2,663,699	7,503,943	-	175,376,149
Inter-segment Sales	607,595,811	1,142,565,615	162,244,512	156,432,786	(2,068,838,724)	-
Total Revenue	3,311,769,950	5,233,954,585	2,504,277,263	1,644,262,661	(2,068,838,724)	10,625,425,735
Results						
Segment Results	372,795,601	196,171,838	488,843,352	(4,248,190)	(120,825,971)	932,736,630
Un-allocable (Expenses)/Income						2,490,763
Profit from Operation						**935,227,393**
Finance Cost						(714,550,086)
Investments Income						5,653,104
Profit Before Exceptional Items						**226,330,412**
Exceptional Items						-
Extraordinary Items						-
Profit Before Tax						**226,330,412**
Income Tax Expenses						(62,171,850)
Deferred Tax (Expenses)/Income						(128,941,092)
Profit After Tax						**35,217,468**
Capital Addition	583,845,453	687,504,252	606,886,509	87,455,645	(102,286,761)	1,863,405,098
Depreciation	(91,150,190)	(159,330,518)	(472,567,898)	(33,499,738)	9,961,387	(746,586,957)
Non-Cash Items	(2,329,928)	(1,631,595)	-	2,948,125	22,357,522	21,344,124
Assets						
Segment Assets	3,203,579,638	4,366,603,295	5,662,513,135	1,615,662,861	(2,017,604,292)	12,830,754,637
Un-allocable Corporate Assets						2,027,374,670
Deferred Tax Assets						203,561,979
Total Assets						**15,061,691,286**
Liabilities						
Segment Liabilities	466,496,826	802,108,362	4,534,626,748	917,095,968	(667,042,409)	6,053,285,495
Unallocable Liabilities						3,470,621,121
Deferred Tax Liabilities						210,309,277
Total Liabilities						**9,734,215,893**

*Others includes Trading Activity and Power Generation

NOTES TO 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 ₹)	
	31st March 2013	31st March 2012
Export	6,161,223,349	6,312,661,367
Domestic	4,241,008,131	4,137,388,220
TOTAL	**10,402,231,480**	**10,450,049,587**

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 ₹)	
	31st March 2013	31st March 2012
Outside India	3,145,232,350	2,853,459,396
Within India	12,361,124,105	12,198,959,977
TOTAL	**15,506,356,455**	**15,052,419,373**

(iii) Segment Liability

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Outside India	2,805,025,547	2,434,989,134
Within India	6,884,107,676	7,288,438,815
TOTAL	**9,689,133,223**	**9,723,427,949**

(iv) Segment Capital Expenditure

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
Outside India	42,218	359,392
Within India	437,101,271	1,703,460,575
TOTAL	**437,143,489**	**1,703,819,967**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

33 RELATED PARTIES DISCLOSURES :-

• Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence	Meghmani Pigments Ashish Chemicals Tapsheel Enterprise Meghmani Infrastructure Meghmani Dyes & Intermediates Pvt Ltd Meghmani Industries Limited Meghmani Chemicals Limited Fidelity Exports Private Limited Vidhi Global Chemicals Limited Vanguard Overseas Limited Panchratna Corporation Meghmani Unichem LLP
• Key Managerial Personnel	Mr. Jayanti M. Patel Mr. Ashish N. Soparkar Mr. Natwarlal M. Patel Mr. Ramesh M. Patel Mr. Anand I. Patel
• Relatives of Key Managerial Personnel (Employee)	Ms. Deval Soparkar Mr. Maulik J. Patel Mr. Kaushal Soparkar Mr. Karna R. Patel Mr. Ankit N. Patel Mr. Darshan Patel
• Relatives of Key Managerial Personnel (Consultant)	Mr. K. M. Patel Mr. Saurabh Soparkar
• Joint Venture	Trience Speciality Chemicals Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Related Parties Material Transactions (Figures in ₹)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Purchase of Goods	88,439,207	8,256,165	NIL	NIL	NIL	NIL	88,439,207	8,256,165
Sale of Goods	192,656,276	108,224,794	NIL	NIL	NIL	NIL	192,656,276	108,224,794
Sale of Fixed assets	766,857	NIL	NIL	NIL	NIL	NIL	766,857	NIL
Purchase of Service	42,573	32,600,428	NIL	NIL	NIL	543,600	NIL	33,144,028
Purchase of Assets	6,824,244	NIL	NIL	NIL	NIL	NIL	6,824,244	NIL
Remuneration	NIL	NIL	26,899,631	61,497,435	3,873,491	3,144,459	30,773,122	64,641,894
Legal & Consultation Fees	NIL	NIL	NIL	NIL	NIL	495,000	NIL	495,000
Total	**288,729,157**	**149,081,387**	**26,899,631**	**61,497,435**	**3,873,491**	**4,183,059**	**319,459,706**	**214,761,881**

Outstanding Balances with Related Parties (Figures in ₹)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Debtors	58,851,021	43,462,445	NIL	NIL	NIL	NIL	58,851,021	43,462,445
Creditors	(135,997,258)	(66,241,160)	NIL	NIL	NIL	NIL	(135,997,258)	(66,241,160)
Salary, PF & Gratuity Payable	NIL	NIL	1,253,200	3,218,700	308,324	121,070	1,561,524	3,339,770
Total	**(77,146,237)**	**(22,778,715)**	**1,253,200**	**3,218,700**	**308,324**	**121,070**	**(75,584,713)**	**(19,438,945)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DISCLOSURE IN RESPECT OF MATERIAL TRANSACTION WITH RELATED PARTY DURING THE YEAR

Party Name	Relationship	Nature of Trans.	Total
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Sale of Goods	2,339,748
Ashish Chemicals EOU Unit - II	Enterprises in which Directors & KMP have significant influence	Sale of Goods	12,447,750
Meghmani Industries Limited Unit - II	Enterprises in which Directors & KMP have significant influence	Sale of Goods	7,455,962
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	5,850,000
Meghmani Industries Limited - SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	14,038,739
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Sale of Goods	25,820,517
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	6,104,352
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	10,763,927
Meghmani Pigment 100% EOU	Enterprises in which Directors & KMP have significant influence	Sale of Goods	2,827,704
Tapsheel Enterprises	Enterprises in which Directors & KMP have significant influence	Sale of Goods	3,147,810
Meghmani Unichem LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	101,859,767
Meghmani Unichem LLP	Enterprises in which Directors & KMP have significant influence	Sale of Assets	766,857
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	41,520,704
Meghmani Pigment 100% EOU	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	23,118,890
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	4,807,614
Matangi Industries	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	6,438,278
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	3,246,790
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	5,879,262
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	3,427,669
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Assets	1,297,758
Matangi Industries	Enterprises in which Directors & KMP have significant influence	Purchase of Assets	5,526,486
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Assets	42,573
J. M. Patel	Key Managerial Personnel	Managerial Remu.	5,378,483
A. N. Soparkar	Key Managerial Personnel	Managerial Remu.	5,382,091
N. M. Patel	Key Managerial Personnel	Managerial Remu.	5,382,091
R. M. Patel	Key Managerial Personnel	Managerial Remu.	5,378,483
A. I. Patel	Key Managerial Personnel	Managerial Remu.	5,378,483
Deval Soparkar	Relative of Key Managerial Personnel	Salary	1,128,077
Karana Patel	Relative of Key Managerial Personnel	Salary	667,846
Ankit N. Patel	Relative of Key Managerial Personnel	Salary	424,128
Darshan I. Patel	Relative of Key Managerial Personnel	Salary	413,250
Maulik J. Patel	Relative of Key Managerial Personnel	Salary	665,732
Kaushal A. Soparkar	Relative of Key Managerial Personnel	Salary	574,458

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

34 AS-30 DISCLOSURES ON FINANCIAL DERIVATIVES

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 credited to the extent of ₹ 7,55,22,264/ during the Financial year 2012-13 (debited to the extent of ₹ 21,01,32,455 during the financial year 2011-12). During the Financial Year 2012-13 ₹ 3,15,17,527/- has been recycled from the reserves and debited to the Statement of profit and loss (during financial year 2011-12 ₹ 4,64,96,220 has been credited to the Statement of Profit and Loss).

The ineffective portion of the change in fair value of such instruments is recognized in the statement of Profit and Loss in the period in which they arise. During the financial year ended 31st March, 2013 ₹ NIL (during financial year 2011-12 ₹ 1,15,31,218) has been charged to Profit and Loss being the ineffectiveness portion of the effective hedging instrument. 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 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	31st March, 2013		No.of Contracts	31st March, 2012	
		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	23	312,138,750	2,078,053	42	585,005,000	(50,991,217)
2) Forward Contracts for payables including firm commitments and highly probable forecasted transactions	-	-	-	2	108,866,414	1,994,180
3) Currency Swaps (ECB & NCD) (MOL & MFL & MEL)	8	2,456,795,970	(69,121,359)	8	2,525,216,343	(84,508,876)
4) Option Contracts	-	-	-	5	534,135,000	(108,736,270)
5) Interest Rate Swap	4	1,214,711,614	(18,154,779)	4	1,138,295,727	(20,430,069)
Hedge for Currency Risk - Total		**3,983,646,334**	**(85,198,085)**		**4,891,518,484**	**(262,672,252)**
Interest Rate Risk (MFL)		731,149,154	(53,196,993)		872,013,540	(56,819,263)
Total of Derivative Contracts entered into for Hedging Purpose		**4,714,795,487**	**(138,395,078)**		**5,763,532,024**	**(319,491,515)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	No.of Contracts	31st March, 2013		No.of Contracts	31st March, 2012	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
1) Options	-	-	-	5	534,135,000	(108,736,270)
2) Cross Currency Swaps (MOL & MEL)	2	309,996,302	28,853,639	1	52,989,499	(18,026,399)
3) Interest Rate Swaps	4	1,214,711,614	(18,154,779)	4	1,138,295,727	(20,430,069)
Total of Derivative Instrument ineffective under AS 30		**1,524,707,916**	**10,698,860**		**1,725,420,226**	**(147,192,738)**

35 CONTINGENT LIABILITIES AND COMMITMENTS

A NOT PROVIDED FOR IN THE ACCOUNTS

PARTICULARS	(Figures in ₹)	
	31st March 2013	31st March 2012
In respect of Bank Guarantee	135,754,380	140,728,035
In respect of Letter of Credit	57,524,892	125,286,838
In respect of Corporate Guarantee	1,878,550,000	1,782,081,032

Name of Statute	Nature of Dues	(Figures in ₹)		Forum where Dispute is pending
		"As at 31st March 2013"	"As at 31st March 2012"	
Income Tax Act.	Income Tax / Penalty for Various Financial Years 1999-2000, 2002-2003 to 2008-2009	64,122,383	80,242,733	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/ Penalty/ Interest (Financial Year 2007-2008 to 2010-2011)	36,382,771	47,106,974	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 (Financial Year 2007-2008 to 2010-2011)	23,302,429	16,832,611	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Service Tax Appellate Tribunal
Labour Laws	Compensation Claims	15,548,971	10,196,217	Labour Court
Value Added Tax	Input Tax Credit	18,246,501	4,582,628	The Joint Commercial Tax Commissioner Appeal 1

B The estimated amount of contracts remaining to be executed on capital accounts of ₹ 25,27,07,742 (Previous Year: ₹ 22,00,63,647) is not provided for.

Signature to Notes 1 to 35

FOR M/S. PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 30th MAY, 2013

K. D. Mehta
Company Secretary

For and on Behalf of Board
J. M. PATEL – Executive Chairman
A. N. SOPARKAR – Managing Director
N. M. PATEL – Managing Director

PLACE : AHMEDABAD
DATE : 30th MAY, 2013

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATED TO SUBSIDIARY COMPANIES

Sr.No.	Name of Subsidiary Company	Meghmani Energy Limited	Meghmani Finechem Limited	Meghmani Chemtech Limited	Meghmani Europe BVBA	Meghmani USA INC	PT Meghmani Indonesia	Meghmani Overseas FZE
1.	Financial year of the Subsidiary Company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
2.	Holding companys interest							
	(a) number of share fully paid	3,999,400	40,446,820	730,000	61299	292,500	2,50,000	1
	(b) extent of holding	100%	57%	97%	100%	100%	100%	100%
3.	Net aggregate amount of profit / (loss) of the Subsidiary, so far as they concern members of the	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
	MEGHMANI ORGANICS LTD							
	(I) for the financial year of the subsidiary							
	(a) dealt with in the account of the holding company	(1.36)	14.74	(0.02)	(1.72)	1.41	(2.24)	0.57
	(b) not dealt with in the account of the holding company	–	11.12	–	–	–	–	–
	(ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary							
	(a) dealt with in the account of the holding company	(1.35)	0.05	–	0.40	1.39	0.37	(0.06)
	(b) not dealt with in the accounts of the holding company	–	0.04	–	–	–	–	–
4.	As the financial year of the subsidiary companies Coincide with the financial year of the holding Company, Section 212 (5) of the Companies Act, 1956 is not applicable	–	–	–	–	–	–	–

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATED TO SUBSIDIARY COMPANIES

Sr.No.	Name of Subsidiary Company	Meghmani Energy Limited	Meghmani Finechem Limited	Meghmani Chemtech Limited	Meghmani Europe BVBA	Meghmani USA INC	PT Meghmani Indonesia	Meghmani Overseas FZE
1.	Financial year of the subsidiary company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
2.	Holding company's interest							
	(a) number of share fully paid	3,999,400	40,446,820	730,000	61,299	292,500	2,50,000	1
	(b) extent of holding	100%	57%	97%	100%	100%	100%	100%
		₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
3.	Capital	4.00	70.76	0.75	8.11	1.40	1.23	0.05
	Reserves/Translation Reserves	3.97	141.42	-	(1.27)	2.25	-	0.51
	Debit Balance of Profit & loss A/c	-	26.19	0.05	6.56	-	3.37	-
	Total Assets (Fixed Assets +Investments+ Current Assets+ Deferred Tax Assets)	16.27	580.59	0.70	27.62	29.93	2.84	1.59
	Total Liabilities (Debt + Current Liabilities+ Deferred Tax Liabilities)	8.30	394.60	-	27.34	26.27	4.98	1.03
	Details of Investments	-	-	-	-	-	-	-
	Income	1.00	301.98	-	39.22	54.64	0.74	6.94
	Profit before Tax	(2.09)	52.89	(0.02)	(1.72)	2.02	(2.24)	0.57
	Provision for Tax	(0.73)	27.03	-	-	0.61	-	-
	Profit After Tax	(1.36)	25.86	(0.02)	(1.72)	1.41	(2.24)	0.57
	Dividend	-	-	-	-	-	-	-

NOTICE OF MEETING

NOTICE IS hereby given that the **Nineteenth Annual General Meeting** of the Members of Meghmani Organics Limited (the "Company") will be held on **Tuesday, 30th July, 2013 at 9.30. a.m.** at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA, Dr. Vikramsarabhai Marg, Vastrapur, Ahmedabad - 380 015 to transact the following businesses:-

ORDINARY BUSINESS:

1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss Account for the financial year ended 31st March, 2013 together with the reports of the Board of Directors and the Auditors thereon.

2) To declare a dividend.

3) To appoint a director in place of Mr. Jayanti Patel, who retires by rotation and being eligible offers himself for re-appointment.

4) To appoint a director in place of Mr. Ashish Soparkar, who retires by rotation and being eligible offers himself for re-appointment.

5) To appoint a director in place of Mr. Jayaraman Vishwanathan, who retires by rotation and being eligible offers himself for re-appointment.

6) To appoint M/s Patel & Khandwala as Auditors and KPMG as Joint Auditors of the Company for the financial year ending 31st March, 2014 to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the directors to fix their remuneration.

BY ORDER OF THE BOARD
FOR, MEGHMANI ORGANICS LIMITED
K.D. MEHTA
COMPANY SECRETARY

Registered Office:
184, Phase II,
GIDC Industrial Estate,
Vatva, Ahmedabad 382 445
Date: 30th May, 2013

NOTICE OF MEETING

Notes:

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2) The proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

3) If the appointer is a corporation, the proxy must be executed under its seal or the hand of its duly authorized officer or attorney.

4) The register of Members and share transfer books of the Company for Equity Shareholders shall remain closed from Monday 22nd July, 2013 to Monday 29th July, 2013 (both days inclusive).

5) Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.

6) Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.

7) The final dividend for the year ended 31st March, 2013 as recommended by the Board, if approved at the meeting will be paid on 7th August, 2013 to those members whose names appear in the Company's Register of Members as on book closure date.

8) 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.

9) The Statutory Registers maintained in terms of provisions of the Companies Act, 1956, subject to applicable provisions and all documents referred to in the accompanying notice shall be available for inspection by the Members at the Registered Office of the Company on all working days between 4.00 p.m. to 6.00 p.m. except Saturday and Sunday up to the date of the Annual General Meeting.

10) 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.

11) Pursuant to Clause 49 of the Listing Agreement, the profile of the directors proposed to be re-appointed/appointed is given in a statement containing details of the concerned directors which is annexed to this Notice.

12) GREEN INITIATIVE:

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to please promptly provide their details (name, folio no., e-mail id) to the Registrar and Share Transfer Agent of the Company. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

The Annual Report and other communications/documents sent electronically would also be displayed on the Company's website: www.meghmani.com. As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, in the interest of the environment.

★ ★ ★

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR REAPPOINTMENT

In accordance with the Articles of Association of the Company all the Directors are liable to retire by rotation and if eligible may offer themselves for re-election at every Annual General Meeting.

Mr. Jayanti Patel, Mr. Ashish Soparkar and Mr. Jayaraman Vishwanathan are directors retiring by rotation and being eligible have offered themselves for re-appointment. The brief profiles of the directors seeking re-appointment are as under:-

(1) Mr. Jayanti Patel :-

Mr. Jayanti Meghjibhai Patel, 61 years, is the Executive Chairman of our Company. Together with our Managing Director Mr. Ashish N. Soparkar, our Managing Director Mr. Natwarlal M. Patel and our Executive Directors Mr. Ramesh M. Patel and Mr. Anand I. Patel, he was a co-founder and partner of M/s Gujarat Industries, which was subsequently converted to our Company in 1995. He currently oversees the international marketing of our Company and is responsible for all major policy decisions.

Mr. Jayanti M. Patel has more than 37 years experience in the dyes and Pigments industry and more than 18 years experience in the Agrochemicals industry. Mr. Jayanti M. Patel was appointed as our Executive Chairman since the incorporation of our Company in 1995.

Mr. Jayanti M. Patel holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University, Baroda.

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

Name of the firm/concern	Position Held
1. Meghmani Finechem Limited – Subsidiary	Director
2. Meghmani Energy Limited – Subsidiary	Director
3. Meghmani Chemtech Limited – Subsidiary	Director
4. Meghmani Chemicals Limited	Director
5. Trience Speciality Chemicals Pvt. Limited – Joint Venture	Director
6. Fidelity Exports (Pvt) Limited	Director
7. Meghmani Organics USA Inc. – Subsidiary	Director
8. PT. Meghmani Organics Indonesia – Subsidiary	Director
9. Ashish Chemicals	Partner
10. 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:-

Mr. Ashish Natwarlal Soparkar, 61 years, is the Managing Director of our Company. Together with our Executive Chairman Mr. Jayanti M. Patel, our Managing Director Mr. Natwarlal M. Patel and our Executive Directors Mr. Ramesh M. Patel and Mr. Anand I. Patel, he was a co-founder and partner of M/s Gujarat Industries, which was subsequently converted to our Company in 1995. He was responsible for pioneering the export division of our Company. He currently oversees the Corporate Affairs and Finance matters of our Company.

Mr. Ashish N. Soparkar, has more than 37 years experience in the dyes and Pigments industry, and more than 18 years experience in the Agrochemicals industry. Mr. Ashish N. Soparkar was appointed as our Managing Director since the incorporation of our Company in 1995.

Mr. Ashish N. Soparkar holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University of Baroda.

Mr. Ashish Soparkar is interested in the following companies and partnership firms.

Name of the firm/concern	Position Held
1. Meghmani Finechem Limited - Subsidiary	Director
2. Meghmani Energy Limited - Subsidiary	Director
3. Meghmani Chemtech Limited - Subsidiary	Director
4. Meghmani Chemicals Limited	Director
5. Meghmani Organics USA Inc. - Subsidiary	Director
6. PT. Meghmani Organics Indonesia - Subsidiary	Director
7. Meghmani Exports Limitada Sa De CV-Mexico	Director
8. Fidelity Exports (Pvt) Limited	Chairman
9. Ashish Chemicals	Partner
10. Meghmani Pigments (erstwhile Alpanil Industries)	Partner
11. Karnavati Club Limited	Director

Mr. Ashish Soparkar is considered to be interested in the resolution.

(3) Mr. Jayaraman Vishwanathan :-

Mr. Jayaraman Vishwanathan, 54 years, was appointed as a Director of our Company on 17th July, 2003. He has more than 22 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 7th February, 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).

At present Mr. Vishwanthan is working in Microsol International LL – FZE as Director Finance.

Mr. Vishwanathan is interested in Aavishkaar International Limited, Singapore

Mr. Vishwanathan is considered to be interested in the resolution.

Registered Office:
184, Phase II,
GIDC Industrial Estate,
Vatva, Ahmedabad 382 445
Date: 30th May, 2013

BY ORDER OF THE BOARD
FOR, MEGHMANI ORGANICS LIMITED
K.D. MEHTA
COMPANY SECRETARY

Meghmani Organics Limited

Registered Office:– 184 Phase II, GIDC, Industrial Estate, Vatva, Ahmedabad 382445

PROXY FORM

DP ID	Client ID	Folio/Demat A/c No.	No. of Shares held

I / We ……………...........……………………..of ……………..........……………………being a Member / Members of Meghmani Organics Limited holding shares in Folio No. / Demat A/c No. ……………………..................…….......... hereby appoint:……...............................………………………..of……………...................................………………………..or failing him / her …...............……………………………..of …………….....................……. or failing him / her ………………………………………….of ………………………….....................………as my / our Proxy to attend and vote for me / us and on/our behalf at Nineteenth Annual General Meeting of the said Company to be held on **Tuesday, 30th July, 2013 at 9.30 a.m.** at H T Parekh Convention Centre, Torrent AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 and at any adjournment thereof.

Signed this ……...................……………..day of July, 2013

Signature(s) of the Shareholder(s)……………..............…………………...............................

Affix Revenue Stamp

N.B. (i) This form must be deposited at the Registered Office of the Company not later than 48 Hours before the time of meeting

(ii) A PROXY NEED NOT BE A MEMBER

……………………………………………………………Tear Here……………………………………………………………

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at Nineteenth Annual General Meeting of Meghmani Organics Limited held on **Tuesday, 30th July, 2013 at 9.30 a.m.** at H T Parekh Convention Centre, Torrent AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

DP ID	Client ID	Folio/Demat A/c No.	No. of Shares held

Full Name of Shareholder (In block Letters)

Signature

Full Name of Proxy (In block Letters)

Signature

Notes

Notes

MEGHMANI ORGANICS LIMITED

World Headquarters : **'Meghmani House'**
Shree Nivas Society, Paldi, Ahmedabad - 380007. Gujarat (INDIA)
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E-mail : helpdesk@meghmani.com **website :** www.meghmani.com

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