

MEGHMANI ORGANICS LIMITED



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



19/08/2020

To

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (East) Mumbai 400 051

BSE Limited
Floor- 25, P J Tower,
Dalal Street,
Mumbai 400 001

SYMBOL:- MEGH

Scrip Code 532865

Dear Sir/s

Sub:- Notice of 26th Annual General Meeting ("AGM") along with Annual Report of the Company for FY2019-20.

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform that **26th Annual General Meeting (AGM)** of the Members of the Company is scheduled to be held on **Friday, 11th September, 2020 at 12:30 Noon** through **Video Conferencing / Other Audio Visual Means** in terms of General Circulars dated April 08, 2020 and April 13, 2020 and May 05, 2020 issued by the Ministry of Corporate Affairs, to transact the business, as set out in the Notice of AGM.

We enclose herewith Notice of AGM along with the Annual Report of the Company for FY 2019-20 for information of Members. The same is also available on Company's website at www.meghmani.com.

Further, the Company is pleased to provide e-voting facility to its Members holding shares in physical or dematerialized form, as on the cut-off date i.e. **Friday, 04th September, 2020** to cast their votes by electronic means on the resolutions set forth in the Notice of AGM.

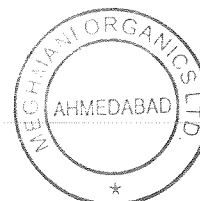
Kindly find the same in order.

Thanking you.

Yours faithfully,
For, Meghmani Organics Limited

K D Mehta

K D Mehta
Company Secretary & Compliance Officer



Encl: - As above



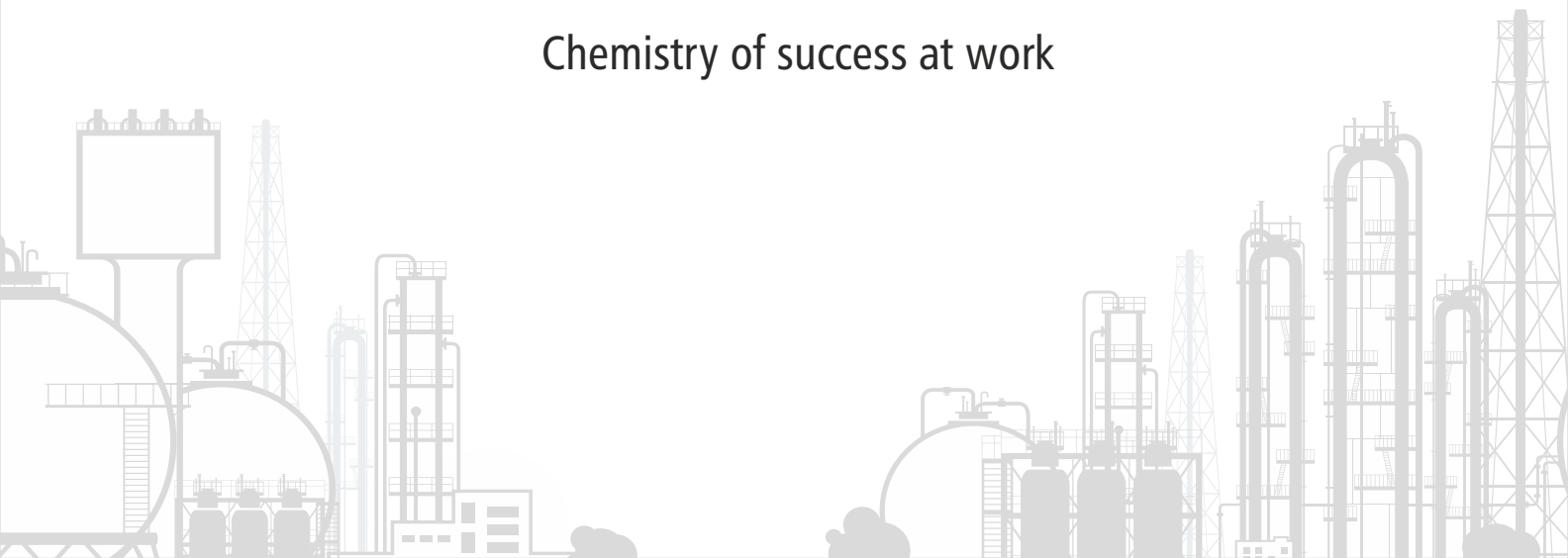
ANNUAL REPORT

2019-2020 **IND**



MEGHMANI ORGANICS LIMITED

Chemistry of success at work



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Jayantilal Patel	Executive Chairman
Mr. Ashish Soparkar	Managing Director
Mr. Natwarlal Patel	Managing Director
Mr. Ramesh Patel	Executive Director
Mr. Anand Patel	Executive Director
Ms. Urvashi Shah	Independent Director
Mr. Manubhai Patel	Independent Director
Mr. Bhaskar Rao	Independent Director
Mr. C. S. Liew	Independent Director
Prof.(Dr.) Ganapati Yadav	Independent Director (Appointed on 09th August,2019)
Mr. Chander Kumar Sabharwal	Independent Director (Ceased on 25th July, 2019)
Mr. Balkrishna Thakkar	Independent Director (Ceased on 25th July, 2019)

AUDIT COMMITTEE

Mr. Manubhai Patel	Chairman
Ms. Urvashi Shah	Member
Prof.(Dr.) Ganapati Yadav	Member

NOMINATION COMMITTEE

Mr. Manubhai Patel	Chairman
Ms. Urvashi Shah	Member
Prof.(Dr.) Ganapati Yadav	Member

REMUNERATION COMMITTEE

Mr. Manubhai Patel	Chairman
Ms. Urvashi Shah	Member
Prof.(Dr.) Ganapati Yadav	Member

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

Mr. Manubhai Patel	Chairman
Mr. Ashish Soparkar	Member
Ms. Urvashi Shah	Member

**CORPORATE SOCIAL RESPONSIBILITY
COMMITTEE**

Mr. Manubhai Patel	Chairman
Mr. Jayantilal Patel	Member
Mr. Ashish Soparkar	Member
Mr. Natwarlal Patel	Member

CORPORATE INFORMATION

CHIEF EXECUTIVE OFFICER	Mr. Ankit Patel
COMPANY SECRETARY	Mr. Kamlesh Mehta
CHIEF FINANCIAL OFFICER	Mr. Gurjant Singh Chahal
REGISTRAR & SHARE TRANSFER AGENT-INDIA	Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 4918 6270, Fax: +91 22 4918 6060
INVESTOR SERVICES E - MAIL ID	helpdesk@meghmani.com
SINGAPORE DEPOSITORY SHARES ("SDSs") REGISTRAR AND SDSs OFFICE	Tricor Barbinder Share Registration Services 80 Robinson Road, #02-00, Singapore 068898 Telephone No. (65) 6236 3552, Fax No. (65) 6236 3405 E-mail : helpdesk@meghmani.com
SINGAPORE SECRETARIAL AGENT	Tricor Evatthouse Corporate Services 80 Robinson Road, #02-00, Singapore 068898 Telephone No. (65) 6236 3510, Fax No. (65) 6236 4399 E-mail : helpdesk@meghmani.com
REGISTERED OFFICE	Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445 Telephone No. 91-79-25831210, Fax No. 91-79-25833403 E-mail : helpdesk@meghmani.com
CORPORATE OFFICE	Meghmani House, B/h Safal Profitaire, Corporate Road, Pralhad Nagar, Ahmedabad 380 015 Telephone No. 91-79-2970 9600/ 7176 1000, Fax No. 91-79-2970 9605, E-mail : helpdesk@meghmani.com
MUMBAI OFFICE PRESENT	A1& B1, Ground Floor, Kalamandir Co. Op. Housing Society, Chitrakar Ketakar Marg Near Sathye College, Ville Parle [East], Mumbai – 4000 057 Telephone No. 91 22 2612 2640
PERMANENT (BUILDING UNDER RECONSTRUCTION)	Flat No. 22/23, Vellard View Co. op. Housing Society, Tardeo Road, Mumbai

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CORPORATE INFORMATION

PLANT LOCATIONS

- | | |
|----------------------------------|--|
| 1. Pigment Green Division | Plot No. 184, Phase II,
G.I.D.C. Vatva,
Ahmedabad -382 445
Telephone No. 91-9979882209
E-mail : helpdesk@meghmani.com |
| 2. Pigment Blue Division | Plot No. 21,21/1,
G.I.D.C. Panoli,
District: - Bharuch
Telephone No. 91-9979606337/38/39
E-mail : helpdesk@meghmani.com |
| 3. Pigment Blue Division | Plot No. Z-31, Z-32,
Dahej SEZ Limited, - Dahej
Taluka :- Vagra,
District :- Bharuch
Telephone No. 91-9099960742, 9099958371
E-mail : helpdesk@meghmani.com |
| 4. Agro Division – I | Plot No. 402,403,404 & 452,
Village Chharodi,
Taluka Sanand,
District :- Ahmedabad
Telephone No. 91-987960330
E-mail : helpdesk@meghmani.com |
| 5. Agro Division – II | 5001/B,
G.I.D.C. Ankleshwar,
District:- Bharuch
Telephone No. 91-2646-222971
E-mail : helpdesk@meghmani.com |
| 6. Agro Division – III | Plot No - Ch-1+2/A
GIDC Dahej, Dahej,
Taluka – Vagra ,
District: - Bharuch -392130
Telephone No. 91-2641-291017
E-mail : helpdesk@meghmani.com |
| 7. Agro Division – IV | Plot No. 22/2,
G.I.D.C. Panoli
District: - Bharuch
Telephone No. 91-6359605548
E-mail : helpdesk@meghmani.com |

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CORPORATE INFORMATION**PRINCIPAL BANKERS****State Bank of India**

Overseas Branch,
Iscon Elegance,
Near Prahladnagar Cross Roads, SG Highway,
Ahmedabad 380015

HDFC Bank Limited

HDFC Bank House,
Near Mithakhali Six Roads, Navrangpura,
Ahmedabad 380 009

ICICI Bank Limited

JMC House Branch,
Opp. Parimal Garden, Ambawadi,
Ahmedabad 380009

Axis Bank Limited,

Corporate Banking Branch,
3rd Eye One, 2nd Floor, Nr. Panchawati Circle,
C. G. Road, Ahmedabad – 380 009.

DBS Bank India Ltd.,

Surat Branch,
GIDC Bhatpore,
Surat 394510.

STATUTORY AUDITOR**S R B C & CO LLP**

Chartered Accountant
21st floor, B Wing, Privilon,
Ambli BRT Road, Behind Iscon Temple,
Off. S.G. highway, Ahmedabad – 380059

INTERNAL AUDITOR**C N K Khandwala & Associates**

Chartered Accountants,
2nd Floor, "HRISHIKESH",
Vasantbaug Society,
Opposite Water Tank,
Gulbai Tekra,
Ahmedabad – 380006

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CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me immense pleasure connecting with you all and share the glimpses of performance during FY 2020. My fellow shareholders, I am pleased to announce that your Company is now a Fortune 500 company ranked at 490th place. This is just the beginning of our milestone journey; I am sure we will have more such milestones to achieve and feel proud of. Despite challenging COVID-19 pandemic environment and its far-reaching impact in terms of mortality and health-related issues, your Company delivered notable performance across all the three segments namely Pigments, Agro Chemicals and Chlor Alkali and its Derivatives. Your Company continues to strengthen its stance to become one of the leading diversified chemical conglomerate in 'Organic Chemistry' using cost-effective measures and technology backed up by in-house product and process development aiming worldwide presence and product acceptability.

Resilient Financial Performance – The Tough gets Going

Your Company exhibited financial performance with the consolidated growth of 5% Year-on-Year (YoY) to INR 21,912 million in FY 2020. Meghmani Organics' top-line was impacted by 3-4% due to COVID-19. EBITDA remained at INR 4,341 million during the year. PAT for the year was INR 2,401 million. Your Company continues to deliver a strong return ratio, with Return on Equity of 23% and Return on Capital Employed of 17% in FY 2020.

Segmental Performance: Every Business Share Matters

Agrochemicals

Meghmani Organics' Agrochemical segment exhibited a strong performance in FY 2020 with a 23% YoY increase in net sales to INR 9,734 million. Exports accounted for 79% of sales during FY 2020. EBITDA during the year INR 1,738 million and EBITDA margin for the period was 17.9%.

Pigments

Meghmani Organics' Pigment segment recorded a 6% YoY increase in net sales to INR 6,406 million in FY 2020. Exports accounted for 77% of sales during the year.

EBITDA during the year surged by 12% YoY to INR 915 million due to favourable market conditions and better price realizations and operational efficiencies. EBITDA margin for the period grew by 80 bps YoY to 14.5%.

Chlor Alkali and its Derivatives

Meghmani Organics' Chlor-Alkali segment recorded net sales INR 6,098 million in FY2020 lower by 14%. EBITDA during the year INR 1,976 million lower by 36% and EBITDA margin for the period at 32.4% compared to 43.9% in Previous Year (PY). The decrease in EBITDA during the year was mainly due to the following reasons:

- a) Exceptionally higher ECU realization in FY 2018-19
- b) Plant shutdowns during FY 2020 for commissioning of the new projects
- c) Impact on sales due to COVID 19 lockdown in March'20.

Industry Outlook: Tapping the New Trend

Agrochemicals

As per Phillips McDougal, the global crop protection industry contracted by 0.8% to US\$59.8 billion in 2019 owing to extreme global weather conditions across major geographies. The industry experienced an increase in the acceptance of alternative genetically modified traits. The end users experimented with new products which resulted in demand shift from glyphosate to high-end herbicides such as glufosinate-ammonium, dicamba and 2,4-D. The Pesticides industry was pegged at US\$ 5.08 billion in 2019. The growing export contribution from the Indian companies is thanks to the generic segment with a wide range of world-class formulation.

CHAIRMAN'S STATEMENT

Pigments

As per Grand View Research, the global Dyes and Pigments Industry was valued at US\$ 33.2 billion in 2019 and is expected to grow at 5% CAGR from 2020 to 2027. The pigment industry growth is driven by increasing demand from various applications such as packaging inks, textiles, paints and coatings, construction, and plastics. As per Ken Research, India's Pigments market is pegged at INR 20,000 crore by 2022 and is poised to achieve 5.5% CAGR in 2017-22.

There lies a huge opportunity for Indian players to tap the radical changes happening in the Chinese Chemical Industry and grow their exports in pigment emulsions in major countries including the US, Germany, China, Brazil, Italy and others.

Chlor Alkali and its Derivatives

As per Market Watch, the global Chlor-Alkali industry is estimated to reach US\$ 76.0 billion in 2020. The industry's market is expected to exceed US\$ 94.2 billion in 2026 clocking 3.1% CAGR during 2021-26. Alkalis products form the basic building blocks with wide applications in Aluminium, Paper, Textile and Plastic industries.

Indian Chemical Industry – In a sweet spot

India is aiming to be a US\$ 5 trillion economy by 2025. The Chemical and Fertilizers is pegged at US\$ 160 billion contributing nearly 7.8% of the manufacturing and has potential to clock 20-25% in 2025 taking the industry to US\$ 304 billion. The government market-friendly policy framework will enable companies to undertake bold investment decisions coupled with enabling reforms such as GST, relaxed FDI norms, Labour reforms and Bankruptcy laws. 'Make in India' and 'Ease of doing business' initiatives of the Government coupled with curb on imports will provide enormous opportunities across all the three segments in the future.

Management Vision and Values

Your Company is committed to follow transparent business practices. These values **shall be the base and backbone for all the future actions to achieve our 'Corporate Vision' to become one of the leading diversified chemical company in 'Organic Chemistry' aiming global presence and worldwide product acceptability. To Setup world class development Centre to facilitate upgrading technical capabilities and cost effective measures.**

The Board of Directors of the Company and every single Senior personnel of management are committed to ensure that the interest of every shareholder remains close to their heart.

Your Company is committed to stick to its core businesses in organic chemistry offering innumerable growth opportunities, create and build high standard manufacturing base, adhere to prescribed 'Environmental & Safety Standards' and strive continuously to upgrade them, respect minority shareholders and their trust in management and to create sustainable 'Value' for all the stakeholders.

Your Company has sustainable business model, **well integrated manufacturing base and plants located in chemical hub of Gujarat, relatively most stable and peaceful state with robust infrastructure.**

The Company has fairly well-balanced plant capacities and layouts with multiple locations that support the economy of scale. We constantly explore more possibilities for backward integration and try to implement them. This helps sizably in eliminating the dependency on input supplies and is able to convert effluents into valuable by-products.

The Company has strong pool of product basket. **The product reach and distribution too, are well diversified geographically with presence in almost every continent, empowering consistency in products off take all throughout the year.**

The Company has ambitious but cautious capital allocation plans ahead, we however, will stick to our core business strengths only.

CHAIRMAN'S STATEMENT

Besides, the Company has a very low leveraged debt-equity as well as low interest cost due to hedging possibilities always available against underlying exports. This helps the balance sheet to become stronger and healthier.

The management follows well-articulated financial policies and is committed to adhere to stringent working capital norms and discrete forex policies.

The consistent HR Policies of the Company helps in attracting best talent pool; retention and controlling low attrition rate

I may like to add very candidly, the entire chemical sector is poised for sustainable long-term growth. India is being seen by the world as an option to China in many product categories. With right business strategies, we envisage favourable business conditions and market dynamics for the Company in the years ahead.

As we all know, the Company has 'on going' ambitious business expansion plans largely funded with combination of internal accruals and low cost debts. We are committed to create a valuable business organization.

We have aspiring 'Corporate Vision' to become one of the leading diversified chemical company in 'Organic Chemistry'. This reflects that the journey ahead is going to be more exciting for we all. Needless to say, that the company has immense value which is yet to be realized.

Together, we are committed to create a valuable business organization.

Capacity Addition – The New Multiplier

Chlor-Alkali and its Derivatives

Your Company has planned a capex of INR 10.35 billion involving multiple projects aligned with its strategic goal of expanding its Chloro-Alkali business.

Capex of INR 7.6 billion in the Phase-1, includes the following projects:

- Chloromethane project of 50,000 TPA for producing MDC, Chloroform and Carbon Tetra Chloride. The project was commissioned in Q1 FY2020. The project enables in-house accessibility of Chlorine encouraging cost optimization and higher profitability.
- Hydrogen Peroxide project of 60,000 TPA. Hydrogen Peroxide is widely used in Pharma and Agrochemicals industry. The project is likely to be commissioned in Q2 FY2021.
- Caustic Soda capacity expansion from 1,66,600 TPA to 2,94,000 TPA and increase the Captive Power Plant capacity from 60 MW to 96MW by Q1 FY2021.

Your Company plans a new capex of INR 2.75 billion for setting up India's first Epichlorohydrin (ECH) project of 50000 TPA capacity. It will be 1st largest plant in India based on 100% renewable resources and expected to be operational by Q4 FY2022.

Your Company has also announced a new 30,000 TPA capacity CPVC Resin project which will be operational by Q3 FY 2023.

Your Company is continuously increasing the basket of products and after the completion of the above projects, share of value-added products in Chloro-Alkali division will be more than 50% by FY 2024.

Agrochemicals

Your Company envisage favourable business conditions and market dynamics for Agro Chemicals and has expansion plans for Agro division to capture these opportunities:

- Double its 2,4D (Herbicides) capacity by adding 10,800 TPA by incurring a capex of INR 1.27 billion.
- New formulation unit by incurring a capex of INR 0.25 billion to expand its share of value-added products (Branded products).

CHAIRMAN'S STATEMENT

These projects are expected to be operational by Q3 FY21.

Your Company is also planning a new multipurpose plant with backward integration at Dahej with capex of INR 3 billion which will be spent within next 2 years.

Pigments

Meghmani Organics plans to increase the basket of products in Pigment division with addition of new pigments in the coming years. Your Company has regulatory approvals and infrastructure in place for expansion in Pigment Division at Dahej.

Vote of Thanks

It has been a remarkable year for your Company. I believe we have just scratched the surface and the best of Meghmani Organics performance is yet to come. My fellow stakeholders, going by the famous lines of Robert Frost, 'And miles to go before I sleep', your Company will continue to walk on the path for creating value for all its stakeholders.

On behalf of the board, I would like to thank you for all your unwavering support, trust and perennial belief in our capabilities and competencies. I take the opportunity to thank our customers, suppliers, bankers, business partners/associates, financial institutions and government for their consistent support, faith and encouragement to the Company. I would like to express my gratitude for our 'Human Capital' for their hard work and commitment. Your dedication and competency have continuously fuelled Meghmani Organics' growth engine. Lastly, I am also grateful to our Board of Directors for their guidance and enlightenment for steering the business in a dynamic business environment.

I look forward to meeting and interacting with you, our fellow owners, and quench all your questions at our shareholder's meeting.

Best Regards,

Jayantilal Patel
Executive Chairman
Meghmani Organics Limited

DIRECTORS' REPORT

To,
The Members,
Meghmani Organics Limited

Your Directors have pleasure in presenting **Twenty Sixth** Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended on 31st March, 2020

1. FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	YEAR ENDED ON 31st MARCH, 2020	YEAR ENDED ON 31st MARCH, 2019
Revenue from Operations (Excluding Excise Duty)	1,58,898.65	1,37,513.63
Other Operating Revenue	3,566.67	3,528.37
Revenue from Operations	1,62,465.32	1,41,042.00
Other Income	7,811.60	3,882.19
Total Revenue	1,70,276.92	1,44,924.19
Profit Before Finance Cost & Depreciation	31,439.59	27,108.85
Finance Cost	3,142.26	4,589.20
Depreciation	4,752.06	4,629.04
Profit Before Extra-Ordinary Item & Tax	23,545.27	17,890.61
Exceptional Item	-	(4,328.51)
Profit Before Tax	23,545.27	22,219.12
Payment and Provision of Current Tax	5,760.00	5,390.00
Deferred Tax Expenses/(Income)	(1,233.29)	33.84
Excess/Short provision of tax for earlier year	(273.02)	(73.79)
Profit After Tax	19,291.58	1,6869.07

2. COMPANY'S PERFORMANCE REVIEW

Sales:-

The Company is in the business of manufacturing of Pigments, Agrochemicals and Others (Trading.)

The Sales increased by **Rs. 21,385.02 Lakhs** (15.55%) i.e. from **Rs. 1,37,513.63 Lakhs** in FY 2019 to **Rs. 1,58,898.65 Lakhs** in FY 2020.

The Sales of Pigment Division increased by **Rs. 3,699.01 Lakhs** (6.28%) i.e. from **Rs. 58,934.91 Lakhs** in FY 2019 to **Rs. 62,633.92 Lakhs** in FY 2020.

The Sales of Agrochemical Division has increased by **Rs. 18,136.10 Lakhs** (23.53%) i.e. from **Rs. 77,066.25 Lakhs** in FY 2019 to **Rs. 95,202.35 Lakhs** in FY 2020.

1) DOMESTIC SALES:-

The Total Domestic Sales increased by **Rs. 3,674.55 Lakhs** (12%) i.e. from **Rs. 30,757.77 Lakhs** in FY 2019 to **Rs. 34,432.32 Lakhs** in FY 2020.

The Domestic Sales of Pigment Division increased by **Rs. 2,896.39 Lakhs** (28%) i.e. from **Rs. 10,528.57 Lakhs** in FY 2019 to **Rs. 13,424.96 Lakhs** in FY 2020.

The Domestic Sales of Agro Division decreased by **Rs. 78.79 Lakhs** (-0.4%) i.e. from **Rs. 20,023.77 Lakhs** in FY 2019 to **Rs. 19,944.98 Lakhs** in FY 2020.

DIRECTORS' REPORT

2) EXPORT SALES :-

The Total Export Sales increased by **Rs. 17,710.47 Lakhs** (17%) i.e. from **Rs.1,06,755.86 Lakhs** in FY 2019 to **Rs. 1,24,466.33 Lakhs** in FY 2020.

The Export Sales of Pigment Division increased by **Rs. 802.62 Lakhs** (2%) i.e. **Rs. 48,406.34 Lakhs** in FY 2019 to **Rs. 49,208.96 Lakhs** in FY 2020.

The Export Sales of Agro Division increased by **Rs. 18,214.89 Lakhs** (32%) i.e. from **Rs. 57,042.48 Lakhs** in FY 2019 to **Rs. 75,257.37 Lakhs** in FY 2020.

3) OTHER INCOME :-

Other income increased by **Rs. 3,929.41 Lakhs** mainly due to forex gain resulting from depreciation of rupee, interest income from customers and dividend income from Subsidiary.

4) PROFIT :-

Profit Before Tax (PBT) increased by **Rs. 1,326.15 Lakhs** i.e. by (5.97%)

Profit After Tax (PAT) increased by **Rs. 2,422.51 Lakhs** i.e. by (14.36%).

3. COVID-19 PANDEMIC & IMPACT ON OUR BUSINESS :-

COVID-19 pandemic has adversely affected a huge swath of population across continents and its impact has been far reaching in terms of mortality and health related issues. When we submitted information to Stock Exchanges under Regulation 30, 2015 of Listing Regulations on 06.03.2020, the perception was largely China-centric and we did not envisage a major impact on our business except general business risks. It subsequently assumed global proportions and the fall out were not only the health-hazard, but also economic de-growth.

Against this backdrop, we submit that Meghmani Organics Limited has less impact during the financial Year ended 31.03.2020 as the lockdown was imposed from 22.03.2020, but after the extended lockdown, the situation in Gujarat deteriorated at an accelerated pace compared to the rest of the country, perhaps with the exception of Mumbai, Delhi and a few other locations.

Impact on Production:-

The Government declared manufacturing of Agro Chemicals as essential services. Despite restrictive manufacturing environment and lower availability of manpower, the Company's plants were operating at capacity of 30-40%. It is expected that plant will take longer time to reach to normal capacity utilization.

Impact on Demand: -

Demand for Agro Chemicals is not likely to be unaffected. In the Pigments international demand will be an area of concern, due to slowness in Pigment end use industries Viz., advertising, print media operations etc..

Impact on Manpower : -

At Plants manpower is provided by labour contractors. Due to migration of workers, availability of contract labour is constrain to run the plant at normal capacity.

Impact on Finance:-

The Company has sufficient credit line available. The Agrochemical being essential Commodities, plants are operating at normal capacity and thereby collections are also normal. As the plants are operating at 30-40% capacity, the management is concentrating on cost reduction to conserve cash and to avoid liquidity crunch till the normalcy is established.

Assessment on receivables will be carried out in due course, in case collections are inordinately delayed, the new supplies will be made only to those customers whose payments are safe due to long term relationship. All the collections and payment are being made through Digital mode.

Impact on Profitability: -

Covid 19 will have impact on the profitability of the Company. Global recession seems to be a near certainty and overall impact on profitability would be substantial in the current financial year. Assessment of impact will be possible once the things are near to normal.

DIRECTORS' REPORT

4. DIVIDEND:-

The Board of Directors on 03rd March, 2020 declared an **Interim dividend of Rs. 1.00 (100%)** per equity share of face value of Rs. 1/- each for the Financial year 2019-20. The above dividend was paid to the Shareholders on March 20, 2020. The Members are requested to ratify the action and approve the interim dividend paid by the Company.

In view of the on-going Project expansion the Board has not recommended the Final dividend for the Financial year 2019-20. The Interim Dividend declared and paid is to be considered as final dividend.

The dividend payout amount for the current year is **Rs. 3,786.44 Lakhs** as compared to **Rs. 2,752.24 Lakhs** in the previous year.

During the year, unclaimed dividend amount of **Rs. 2.23 Lakhs** pertaining to Financial year **2011-12** were transferred to Investor Education & Protection Fund (IEPF) established by the Central Government, while Unclaimed Dividend relating to Financial Year **2012-13** is due for transfer on **10.08.2020** to IEPF.

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

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividends have not been claimed for 7 consecutive years were required to be transferred in favour of IEPF authority. Accordingly, the Company has transferred **27698 Equity shares** in favour of IEPF Authority during Financial Year 2019-20 with this total **130572 Equity shares** have been transferred till FY 2019-20.

5. AUDITORS' REPORT :-

There is no qualification, reservation or adverse remarks or disclaimer made by the Statutory Auditors in their report on the financial statement of the Company for the Financial Year ended on 31st March, 2020

6. SHARE CAPITAL :-

The Paid up Equity Share Capital as on March 31, 2020 was **Rs. 2,543.14 Lakhs**. During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. The Company has not issued any convertible instrument during the year.

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

7. FINANCIAL LIQUIDITY: -

Cash and Cash equivalent as at 31st March, 2020 was **Rs. 764.39 Lakhs** (Previous year Rs. 177.16 Lakhs). The Company's working capital management is based on a well-organized process of continuous monitoring and controls on Receivables, Inventories and other parameters.

8. CREDIT RATING:-

CRISIL has upgraded Long Term Rating CRISIL AA-/ Stable (Upgraded from 'CRISIL A+ / Positive) and Short Term Rating CRISIL A1+ (Upgraded from CRISIL A1) to its total Bank facility of **Rs. 629.00 Crore** by CRISIL Limited (Rating Agency) vide its letter MEGORGN/240544/BLR/022000325 dated February 10, 2020.

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

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

The Company has submitted all the documents and papers to Surveyors. The Company has submitted the application to Oriental Insurance Company Limited (OIC) for on account payment of **Rs. 900 Lakhs** till the final claim is settled. The Company expects to get the on account claim once the lockdown situation is over.

In line with requirements of Ind AS 16, the estimated loss of **Rs. 1,586.78 Lakhs** has already been charged to statement of Profit and Loss in FY 2019

DIRECTORS' REPORT

The reinstatement of Plant affected by Fire has been completed and the Company has Started the commercial production on 05th March, 2020.

The other two manufacturing Sections A and C at the site were not affected and have commenced production from 30th April, 2019.

10. EXTRACT OF ANNUAL RETURN: -

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

11. MEETINGS: -

BOARD MEETINGS: -

During the year, Five Board Meetings (24.05.2019, 09.08.2019, 09.11.2019, 29.01.2020 and 03.03.2020) were convened and held and the details of which are given in the Corporate Governance Report.

AUDIT COMMITTEE MEETINGS:-

During the year, Four Audit Committee Meetings (24.05.2019, 09.08.2019, 09.11.2019 and 29.01.2020) were convened and held and the details of which are given in the Corporate Governance Report.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:-

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

13. RELATED PARTY TRANSACTIONS (RPT):-

All contracts / arrangements / transactions entered into with Related Parties during the Financial Year were in the ordinary course of business and on an arm's length basis.

There were no Materially Related Party Transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. Hence, no transactions are required to be reported in **Form AOC2**.

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

The Company has obtained prior Omnibus Approval of the Audit Committee for the transactions which are foreseen and repetitive nature.

The statement giving the details of Related Party transactions entered pursuant to the Omnibus Approval is placed before the Audit Committee for their approval on a Quarterly basis.

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

14. MATERIAL CHANGES:-

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

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

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

16. SUBSIDIARY COMPANIES: -

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

The Consolidated Financial Statements presented by the Company include financial results of its Subsidiary Companies, which will be kept open for inspection at the Registered Office of the Company.

DIRECTORS' REPORT

The Company has following Five Subsidiaries.

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

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

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

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

17. CONSOLIDATED FINANCIAL STATEMENT:-

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

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

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

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

APPOINTMENT OF DIRECTORS:-

The Board of Directors accepting the recommendation of Remuneration Committee approved the terms of reappointment of Mr. Jayantilal Patel - Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel-Managing Directors, Mr. Rameshbhai Patel and Mr. Ananad Patel – Executive Directors on 24th May, 2019. The Shareholders also approved the terms of appointment and remuneration of Working Directors at the Annual General Meeting held on 25th July, 2019.

The statutory period of appointment of Ms. Urvashi Shah as Independent Director is expiring and she will be reappointed at this Annual General Meeting .

During the year, Prof. (Dr.) Ganapati Yadav was appointed as Additional Independent Director on 08th August, 2019. The appointment of Prof. (Dr.) Ganapati Yadav – as an Independent Director for a period of 5 (Five) years, will be confirmed and approved by the Shareholders at this Annual General Meeting.

KEY MANAGERIAL PERSONNEL:-

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

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

DIRECTORS' REPORT

19. INTERNAL AUDIT :-

The Internal Audit (IA) function reports to the Audit Committee of the Board, which helps to maintain its objectivity and independence. The scope and authority of the IA function is defined by Audit Committee. The Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

M/s. C N K Khandwala & Associates, Chartered Accountants has been reappointed as Internal Auditor for the Financial Year 2020-21.

20. FIXED DEPOSITS:-

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

21. INDEPENDENT DIRECTORS- DECLARATION OF INDEPENDENCE:-

The Independent Directors hold office for a fixed term of five years and are not liable to retire by Rotation. In accordance with Section 149(7) of the Companies Act 2013, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of Independence as mentioned under Section 149(6) of the Companies Act, 2013 and SEBI Regulations.

22. CORPORATE SOCIAL RESPONSIBILITY (CSR) :-

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

The eligible CSR amount for Financial Year 2019-20 works out to be **Rs. 245.69 Lakhs**. During the Financial Year 2019-20, the Company has spent an amount of **Rs. 134.01 Lakhs** (Previous year **Rs. 245.88 Lakhs**) towards the CSR activities.

23. BOARD EVALUATION:-

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

24. REMUNERATION POLICY:-

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

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

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

26. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of the provisions of the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, our Company has constituted Internal Complaints Committees at various locations as per requirement of the Act which are responsible for redressal of complaints relating to sexual harassment against woman at workplace. During the year under review, there were no complaints pertaining to sexual harassment against women.

27. CORPORATE GOVERNANCE:-

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

DIRECTORS' REPORT

28. AUDITORS:-

(A) STATUTORY AUDITORS:-

M/s. SRBC & Co LLP, Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E 300003) was appointed as Statutory Auditors on 27th July, 2017 to hold office from the conclusion of 23rd Annual General Meeting (AGM) till the conclusion of 28th AGM i.e. for a period of five years.

(B) SECRETARIAL AUDITOR:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Shahs & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2019-20. The Secretarial Audit Report is appended to this report.

(C) COST-AUDITOR:-

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

Your Directors have on the recommendation of the Audit Committee, appointed M/s. Kiran J Mehta & Co. Cost Accountants (Firm Registration number 00025) to audit the Cost Accounts of the Company for the Financial Year 2020-21.

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

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

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

30. INSURANCE:-

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

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

The Consortium Bank Members viz., State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Axis Bank Limited and DBS Bank Limited has renewed Fund Based and Non Fund Based Working Capital Credit facilities up to **Rs. 40000 Lakhs**. The Company has executed Security Documents.

32. AGROCHEMICAL REGISTRATION:-

To date, we have **290 export registrations** including Co-partner Registrations world wide. The Company has **356 registrations** of Central Insecticides Board (CIB), Faridabad, **35 registered Trade Marks** and **238 Export registrations** are in pipe line.

DIRECTORS' REPORT**33. RESEARCH & DEVELOPMENT:-**

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

Research and Development (R & D) Center of the Company at Village Chharodi, Taluka: Sanand, District: Ahmedabad is registered by Council of Scientific & Industrial Research (CSIR), New Delhi. R & D Center carries out Development of off-patent molecules, improvements in process parameters, time cycle optimization, and scale up of new technology from laboratory to production level. During the year the Company has spent **Rs. 248.11 Lakhs (Previous year Rs. 209.65 Lakhs)** as R & D expenses.

34. ANNUAL LISTING FEE:-

The Company has paid the Annual Listing Fees for the Financial Year 2020-21 to National Stock Exchange of India Limited, BSE Limited and Singapore Exchange.

35. ENVIRONMENT: -

As a responsible corporate citizen and as a chemicals manufacturer environmental safety has been one of the key concerns of the Company. It is the constant endeavor of the Company to strive for compliant of stipulated pollution control norms. During the year the Company has spent **Rs. 1,818.42 Lakhs (Previous year Rs. 2,165.87 Lakhs)**.

36. INDUSTRIAL RELATIONS:-

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

37. PARTICULARS OF EMPLOYEES:-

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

- i. ratio of remuneration of each Director to the median employee's is **30.86**
- ii. percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any

Sr. No.	Name	Designation	% increase
1	Mr. Jayanti Patel	Executive Chairman	125%
2	Mr. Ashish Soparkar	Managing Director	125%
3	Mr. Natwarlal Patel	Managing Director	125%
4	Mr. Ramesh Patel	Executive Director	112%
5	Mr. Anand Patel	Executive Director	101%
6	Mr. Kamlesh Mehta	Company Secretary	10%
7	Mr. G S Chahal	CFO	14%

- ii. The percentage increase in the median remuneration of employees is **9.97%**.
- iv. The number of permanent employees on the rolls of Company is **1665**.

DIRECTORS' REPORT

- v. The Sales turnover of the Company has increased by **15.55%** while the Net Profit After Tax by **14.36%**. There is no direct relationship between average increase in remuneration of employee and company performance.
- vi. The Sales turn over of the Company has increased by **15.55%** while the Profit After Tax by **14.36%**. There is no direct relationship between average increase in remuneration of KMP and company performance.
- vii. The Price earning ratio as at 31.03.2020 is **4.89** and 31.03.2019 was **27.70**.

The Market Capitalisation as on 31.03.2020 was **Rs. 94,223 Lakhs** (Share Price **Rs. 37.05** per Equity Share) while on 31.03.2019 was **Rs. 1,55,895 Lakhs** (Share Price **Rs. 61.30** per Equity Share)

The Company had made its IPO in 2007 at **Rs. 19/- per Equity Share** of Rs. 1/- each. The Share price as on 31st March, 2020 was **Rs. 37.05/- per Equity Share** of Rs. 1/- each. The percentage increase in the market quotation was **95%**.

- viii. There is no employee receiving remuneration in excess of the highest paid Director.
- ix. All the components of the remuneration are fixed and no components are variable. The remuneration paid to Working Directors is as per of the Companies Act, 2013 and as per remuneration policy of the Company.
- x. Particulars of Employees: - Employed throughout the financial year receiving remuneration in aggregate not less than Rs. 60 Lakhs.

(Rupees in Lakhs)

Sr. No.	Name	Salary Per Annum	Perquisites Per Annum	Performance Bonus	Total
1	Mr. Jayantilal Patel	90.00	11.69	325.00	426.69
2	Mr. Ashish Soparkar	90.00	11.87	325.00	426.87
3	Mr. Natwarlal Patel	90.00	11.89	325.00	426.89
4	Mr. Ramesh Patel	90.00	11.47	195.00	296.47
5	Mr. Anand Patel	90.00	11.32	130.00	231.32
	Total	450.00	58.24	1300.00	1808.24

- xi. One Employee was employed for a part of the financial year at an aggregate salary of not less than Rs. 5 Lakhs per month.
- xii. No one was employed through out the financial year or part thereof receiving remuneration in excess of the amount drawn by Managing Director.

38. DIRECTORS' RESPONSIBILITY STATEMENT:-

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

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at **31st March, 2020** and of the profit of the Company for the period ended on **31st March, 2020**.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the Annual Accounts on a Going Concern Basis;
- e) The Directors had laid down Internal Financial Controls (IFC) and that such Internal Financial Controls are adequate and have been operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems have been found adequate and operating effectively.

DIRECTORS' REPORT**ACKNOWLEDGMENT :-**

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

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

Date: 15 June, 2020
Place: Ahmedabad

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

ANNEXURE TO THE DIRECTRS REPORT

ANNEXURE-A

1. CONSERVATION OF ENERGY:

A	Energy conservation measures taken	AGRO - ANKLESHWAR Total: 12.58 Lakhs Units Saved by investing Rs. 45.8 Lakhs in Energy Conservation Initiative.
		AGRO – DAHEJ Total 10.39 Lakhs Units Saved by investing Rs. 26.4 Lakhs in Energy Conservation Initiative..
		PIGMENT :- PANOLI Total: 8.17 Lakhs Units Saved by investing Rs. 42.0 Lakhs in Energy Conservation Initiative
		PIGMENT :- VATVA Total: 6.77 Lakhs Units Saved by investing Rs. 30.7 Lakhs in Energy Conservation Initiative.
		PIGMENT :- Dahej-SEZ Total: 7.67 Lakhs Units Saved by investing Rs. 26.9 Lakhs in Energy Conservation Initiative. (Saving in Rs. 46.2 Lakhs)
B	Additional investments and proposals if any being implemented for reduction of consumption of energy	1) We are using only IE-3 Efficient Induction Motor by Investing Total Rs. 97.58 Lakhs 2) We have replaced all the conventional lights by efficient LED lights by investing Total Rs. 14.08 Lakhs.
C	Impact of the measures at (a) & (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods.	AGRO – ANKLESHWAR = Rs. 103.80 Lakhs AGRO – DAHEJ = Rs. 88.5 Lakhs PIGMENT :- PANOLI = Rs.75.6 Lakhs PIGMENT :- Vatva = Rs. 52.6 Lakhs PIGMENT :- SEZ, Dahej = Rs. 46.2 Lakhs
D	Total energy consumption and energy consumption per unit of production	As per Form – A

ANNEXURE TO THE DIRECTORS' REPORT
FORM A
Form for disclosure of particulars with respect to conservation of Energy

Particulars		2019-20	2018-19
A Power Consumption			
1 Electricity Consumption			
(a) Purchase			
Unit	KWH	8,25,27,117	7,38,77,811
Total Amount	₹	39,60,23,438	35,55,35,372
Rate/Unit	₹/ KWH	4.80	4.81
(b) Own Generation through Diesel Generator			
Unit	KWH	-	-
Total Amount	KWH	-	-
Cost/Unit	₹/ KWH	-	-
(c) Own Generation through steam Turbine/Generator			
Unit	KWH	39,194	1,15,152
Total Amount	₹	495,181	14,02,217
Cost / Unit	₹/ KWH	12.63	12.18
2 Coal (Specify Quality and Used)			
Stem Generated	(MT)	3,21,347	3,03,063
Consumption of Coal /Lignite /Others	(MT)	76,338	77,397
Gas Consumption	(In 1000 Cubic Meter)	360	348
Cost per Unit	(KG)	1.09	1.27
3 Others/Internal Generations			
B Consumption per unit of			
Production in	(MT)	43,839	43,892
Electricity	(₹/MT)	9,045	8,132

ANNEXURE TO THE DIRECTORS' REPORT

2. TECHNOLOGY ABSORPTION:

FORM B

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

1	Specific areas in which R & D is carried out by the Company.	- Process Development of new products and cost reduction in existing process. - GLP laboratory activities - CIB registration activities
2	Benefits derived as a result of the above R & D.	Scientific benefits: - We have upgraded our R&D Lab with various precious analytical instruments which help us to develop and analyze our products as per international standard. - We are extracting and identifying product related impurities in our in-house lab. - We have increased focus on new product process development and cost reduction of existing commercial product. Business benefits: - CIB registration of new products increased which will benefit in long term. - In-house generated GLP reports lead to faster overseas product registration in future.
3	Future Plan of Action	Focus on new product development and GLP activities
4	Expenditure on R & D	Rs. 248.11 Lakhs

B. Technology Absorption, Adoption and Innovation:

A	Efforts, in brief, made towards technology absorption, adaptation and innovation.	- Indian Patent authority has granted process Patent for one of our product (Patent application no. 201621026917) - One more patent application is under review with Indian Patent authority (Patent application no. 201621026916)
B	Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.	- We have developed and scaled up process of new products / intermediates for CIB registration and commercial production. - Improved quality of commercial product will develop business and increase Customer base
C	Imported technology (imported during the last 5 years reckoned from the beginning of the financial year.	During last five years, no technology has been imported by way of foreign collaboration or otherwise for the existing products of the Company.

3. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings: - **Rs. 1,23,044.12 Lakhs**

Foreign Exchange Outgo: - **Rs. 27,411.97 Lakhs**

For and on behalf of the Board of Directors

Place : Ahmedabad

Date : 15.06.2020

Jayantilal Patel
Executive Chairman
DIN-00027224

ANNEXURE- B**EXTRACT OF ANNUAL RETURN****(As on the financial year ended 31.03.2020)**

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

FORM NO. MGT - 9

I. Registration and other details					
CIN	L24110GJ1995PLC024052				
Registration Date	2 nd January, 1995				
Name of the Company	Meghmani Organics Limited				
Category/Sub-category of the Company	Company having Share Capital				
Address of the Registered Office and contact details	Plot No. 184, Phase II, GIDC Vatva, Ahmedabad-382 445, Ph- 91-79-25831210				
Whether Listed Company	Yes				
Name, address and contact details of the Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 4918 6270 Fax: +91 22 4918 6060				
II. Principal Business Activities of the Company					
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated.					
Name & Description of main Products/Services	NIC Code of the Product/Service	% of total turnover of the Company			
Pigments	20114	39.42			
Agro Chemicals	20211	59.91			
Other	-	00.67			
III. Particulars of Holding, Subsidiary & Associate Companies					
Sr. No.	Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/	% of shares held	Applicable Section
(1)	Meghmani Organics USA, Inc.	Foreign Company	Subsidiary	100	2(87)
(2)	PT Meghmani Organics Indonesia	Foreign Company	Subsidiary	100	2(87)
(3)	Meghmani Overseas FZE	Foreign Company	Subsidiary	100	2(87)
(4)	Meghmani Finechem Limited	U24100GJ2007PLC051717	Subsidiary	57.16	2(87)
(5)	Meghmani Organochem Limited	U24299GJ2019PLC110321	Subsidiary	100	2(87)

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

i) Category-wise Shareholding

Category Code	Category Of Share Holder	Shareholding at the beginning of the year 2019				Shareholding at the end of the year 2020				% of Change During the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total Shares	
(A)	SHAREHOLDING OF PROMOTER & PROMOTER GROUP									
1	INDIAN									
(a)	INDIVIDUAL /HUF	122350917	-	122350917	48.11	123828110	-	123828110	48.69	0.58
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(c)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (A) 1	122350917		122350917	48.11	123828110	-	123828110	48.69	0.58
2	FOREIGN									
(a)	INDIVIDUAL	-	-	-	-	-	-	-	-	-
(b)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(c)	INSTITUTIONS	-	-	-	-	-	-	-	-	-
(d)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (A) 2	-	-	-	-	-	-	-	-	-
(A)	TOTAL HOLDING FOR PROMOTERS : (A) 1 + (A) 2	122350917	-	122350917	48.11	123828110	-	123828110	48.69	0.58

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)									
Category Code	Category of Share Holder	Shareholding at the beginning of the year 2019			Shareholding at the end of the year 2020			% of Change During the year	
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total Shares
(B)	PUBLIC SHAREHOLDING								
1	INSTITUTIONS	81	-	81	0.00	1761	-	1761	0.00
(a)	MUTUAL FUNDS / UTI	415259	-	415259	0.16	355470	-	355470	0.14
(b)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-
(c)	ALTERNATE INVESTMENT FUND	4444675	-	4444675	1.75	4728647	-	4728647	1.86
(d)	FOREIGN PORTFOLIO INVESTOR	-	-	-	-	49000	-	49000	0.02
(e)	INSURANCE COMPANIES	105000	-	105000	0.04	-	-	-	-
(f)	FOREIGN INSTITUTIONAL INVESTORS	-	-	-	-	-	-	-	-
(g)	FOREIGN PORTFOLIO INVESTOR	-	-	-	-	-	-	-	-
(h)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-
(i)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-
	SUB TOTAL : (B) 1	4965015		4965015	1.95	5134878		5134878	2.02
2	NON-INSTITUTIONS								
(a)	BODIES CORPORATE	15022177	-	15022177	5.91	14126132	-	14126132	5.55
(b)	INDIVIDUAL (CAPITAL <= Rs. 2 LAKH)	70747150	100251	70847401	27.86	70461259	100161	70561420	27.75
(c)	INDIVIDUAL (CAPITAL > Rs. 2 LAKH)	12390582	-	12390582	4.87	13289816	-	13289816	5.23
(d)	CLEARING MEMBER	2247528	-	2247528	0.88	460074	-	460074	0.18
(e)	NON RESIDENT INDIANS (REPAT)	6714799	-	6714799	2.64	6589187	-	6589187	2.59
(f)	NON RESIDENT INDIANS (NON REPAT)	790200	-	790200	0.31	841559	-	841559	0.33
(g)	FOREIGN COMPANIES	303500	-	303500	0.12	303500	-	303500	0.12
(h)	OVERSEAS BODIES CORPORATES	-	-	-	-	-	-	-	-
(i)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-
(j)	TRUSTS	500	-	500	0.00	-	-	-	-
(k)	ANY OTHERS (NBFC, HUF & IEPF)	5789402	-	5789402	2.28	6330195	-	6330195	2.49
	SUB TOTAL : (B) 2	114005838		114106089	44.87	112401722	100161	112501883	44.24
									-0.63

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

Category Code	Category of Share Holder	Shareholding at the beginning of the year 2019			Shareholding at the end of the year 2020			% of Change During the year
		Demat	Physical	Total	Demat	Physical	Total	
(B)	TOTAL HOLDING FOR PUBLIC : (B)1 + B(2)	118970853	100251	119071104	117536600	100161	117636761	-0.56
	TOTAL (A)+(B)	241321770	100251	241422021	241364710	100161	241464871	0.02
(C)	NON PROMOTER NON PUBLIC	-	-	-	-	-	-	-
1	CUSTODIAN/ DR HOLDER	12892190	-	12892190	12849340	-	12849340	-0.02
2	EMPLOYEE BENEFIT TRUST	-	-	-	-	-	-	-
(C)	SUB TOTAL : (C)	12892190	-	12892190	12849340	-	12849340	-0.02
	GRAND TOTAL (A)+(B)+(C)	254213960	100251	254314211	254214050	100161	254314211	0.00

ii) Shareholdings of Promoters

Shareholders Name	Shareholding at the beginning of the year (April 01, 2019)			Shareholding at the end of the year (March 31, 2020)			% change during the year
	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	
Jayantilal Patel	18024390	7.09	-	18024390	7.09	-	0.00
Ashish Soparkar	24785628	9.75	-	25214296	9.91	-	0.16
Natwarlal Patel	20739850	8.16	-	20739850	8.16	-	0.00
Rameshbhai Patel	15660689	6.16	-	15885567	6.25	-	0.09
Anandbhai Patel	7843200	3.08	-	7893200	3.10	-	0.02

(iii) Change in Promoter's Shareholding

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

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

Name of Shareholders	Shareholding at the beginning of the year – April 01, 2019		Cumulative Shareholding at the end of the year- March 31, 2020	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1) DBS Nominees (Pvt.) Limited	12892190	5.07	12849340	5.05
2) VLS Finance Limited	6040000	2.38	6150000	2.42
3) Gadia Naveen Vishwanath	3170200	1.25	3174050	1.25
4) Emerging Markets Core Equity Portfolio	1262302	0.50	1212284	0.48
5) Dimensional Emerging Markets Value Fund	950917	0.37	1181270	0.46
6) Keyur Balkrishna Thakkar	581540	0.22	980263	0.39
7) VLS Capital Limited	790611	0.31	790611	0.31
8) Olayan Investments Cyprus Limited	0	0	670000	0.26
9) Mehta Atulbhai Amrutlal	574156	0.23	645000	0.25
10) Adesh Ventures LLP	644382	0.25	644382	0.25

(v) Shareholding of Directors and Key Managerial Personnel

For each of Directors and KMP	Shareholding at the beginning of the year April 01, 2019		Shareholding at end of the year March 31, 2020	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Jayantilal Patel	18024390	7.09	18024390	7.09
Mr. Ashish Soparkar	24785628	9.75	25214296	9.91
Mr. Natwarlal Patel	20739850	8.16	20739850	8.16
Mr. Rameshbhai Patel	15660689	6.16	15885567	6.25
Mr. Anandbhai Patel	7843200	3.08	7893200	3.10
Mr. Balkrishna Thakkar	-	-	-	-
Mr. Manubhai Patel	-	-	-	-
Mr. Bhaskar Rao	-	-	-	-
Mr. Chander Kumar Sabharwal	-	-	-	-
Ms Urvashi Dhirubhai Shah	-	-	-	-
Mr. C. S. Liew	-	-	-	-
Mr. G. S. Chahal	-	-	-	-
Mr. Kamlesh D. Mehta	-	-	-	-
	86120341	34.24%	87757303	34.51

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

	Secured Loans excluding deposits (₹ In Lakhs)	Unsecured Loans (₹ In Lakhs)	Deposits (₹ In Lakhs)	Total Indebtedness (₹ In Lakhs)
Indebtedness at the beginning of FY				
i) Principal Amount	32,652.96	-	-	32,652.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	112.31	-	-	112.31
Total (i+ii+iii)	32,765.27	-	-	32,765.27
Change in Indebtedness during FY				
Addition	0	-	-	0
Reduction	6,265.83	-	-	6,265.83
Net Change	6,265.83	-	-	6,265.83
Indebtedness at the end of the FY				
i) Principal Amount	26,387.13	-	-	26,387.13
ii) Interest due but not paid	0	-	-	0
iii) Interest accrued but not due	35.41	-	-	35.41
Total (i+ii+iii)	26,422.54	-	-	26,422.54

VI. Remuneration of Directors and Key Managerial Personnel

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

Particulars of Remuneration	Mr. Jayantilal Patel (Executive Chairman)	Mr. Ashish Soparkar (Managing Director)	Mr. Natwarlal. Patel (Managing Director)	Mr. Ramesh Patel (Executive Director)	Mr. Anand Patel (Executive Director)	Total Amount (₹ In Lakhs)
Gross Salary						
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	90.00	90.00	90.00	90.00	90.00	450.00
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	11.69	11.87	11.89	11.47	11.32	58.24
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0
Stock Options	0	0	0	0	0	0
Sweat Equity	0	0	0	0	0	0
Commission (as % of Profit)	0	0	0	0	0	0
Others (Performance Bonus)	325.00	325.00	323.00	195.00	130.00	1,300.00
Total (A)	426.69	426.87	426.89	296.47	231.32	1,808.24

B. Remuneration to other Non –Executive Independent Directors

Particulars of Remuneration	Name of Directors					Total Amount (₹ In Lakhs)
	Mr. Manubhai Patel	Mr. B. T. Thakkar	Mr. Chander Sabharwal	Prof. (Dr.) G D Yadav	Ms Urvashi Shah	
Fees for attending Board/ Committee Meetings	4.28	1.53	0.52	0.50	2.50	9.33
Total (B)	4.28	1.53	0.52	0.50	2.50	9.33

C. Remuneration to Key Managerial Personnel other than MDs/EDs

Particulars of Remuneration	Key Managerial Personnel (KMP)		
	Mr. K. D. Mehta Company Secretary (CS)	Mr. G. S. Chahal, Chief Financial Officer (CFO)	Total Amount (Rs. in Lakhs)
Gross Salary			
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	22.72	36.60	59.32
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.22	0.22	0.44
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
Stock Options	-	-	-
Sweat Equity	-	-	-
Commission (as % of Profit)	-	-	-
Others	-	-	-
Total (C)	22.94	36.82	59.76

VII. Penalties/ Punishment/ Compounding of Offences

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

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31.03.2020**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Meghmani Organics Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. **It is further stated that in view of COVID-19 pandemic situation and the government guidelines issued in respect thereof, we have also relied up on the scanned documents and other papers in digital/ electronic mode submitted to us by the official of the Company.**

We report that;

- a. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of the financial statement of the Company.
- d. The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives **including thereon in digital/ electronic mode** during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2020 ("Audit Period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020** according to the provisions of :

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

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** ;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the Audit Period)** ;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)** ;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)** ; and
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)** ;
6. Other laws specifically applicable to the Company **(As per Annexure-1)**

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

- i. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) Limited.
- ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- iii. Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India.

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

We further report that

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

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

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

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

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

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

A Composite Scheme of Arrangement amongst Meghmani Organics Limited -"MOL 1" and Meghmani Organochem Limited - "MOL 2" and Meghmani Finechem Limited -"MFL" and their respective shareholders and Creditors -the 'Scheme' under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the Rules made there under **were filed to National Stock Exchange (India) Limited and BSE Limited for their approval.**

Place: Ahmedabad

Date: 15th June, 2020

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

ANNEXURE - 1

- (1) INSECTICIDES ACT, 1968
- (2) ENVIRONMENT PROTECTION ACT, 1986
- (3) THE GOODS AND SERVICES TAX ACT, 2016
- (4) INDIAN EXPLOSIVE ACT, 1952 – POISON ACT, 1884
- (5) INCOME TAX ACT, 1961
- (6) PROFESSIONAL TAX, 1976
- (7) NEGOTIABLE INSTRUMENT ACT, 1938
- (8) THE FACTORIES ACT, 1948
- (9) THE APPRENTICE ACT, 1961
- (10) THE INDUSTRIAL DISPUTE ACT, 1947
- (11) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
- (12) THE PAYMENT WAGES ACT, 1965
- (13) THE PAYMENT OF BONUS ACT, 1965
- (14) THE PAYMENT OF GRATUITY ACT, 1972
- (15) THE MINIMUM WAGES ACT, 1946
- (16) THE TRADE UNION ACT, 1926
- (17) THE EMPLOYMENT EXCHANGE ACT 1952
- (18) INDIAN STAMP ACT, 1899
- (19) THE TRADE MARKS ACT, 1999
- (20) FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992
- (21) ESSENTIAL COMMODITIES ACT, 1955
- (22) CUSTOMS ACT 1962
- (23) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951
- (24) COMPETITION ACT, 2002
- (25) COVID-19 GUIDELINES
- (26) PETROLEUM ACT 1934, RULES 1976
- (27) INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT, 1946 & RULES 1957
- (28) CHILD LABOUR (P&R) ACT, 1986 & RULES.
- (29) OZONE DEPLETING SUBSTANCE (REGULATIONS & CONTROL) RULE 2000
- (30) INDIAN BOILER ACT, 1923 & REGULATIONS

Place: Ahmedabad
Date: 15th June, 2020

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

**ANNEXURE “A”
SECRETARIAL COMPLIANCE REPORT OF MEGHMANI ORGANICS LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2020**

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

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

- (a) all the documents and records made available to us and explanation provided **including thereon in digital/ electronic mode in COVID-19 pandemic by Meghmani Organics Limited**, Plot No. 184, Phase II, GIDC Vatva, Ahmedabad-382 445 (“the listed entity”)
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this clarification,

For the year ended 31st March, 2020 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period) ;**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period) ;**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period) ;**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period) ;**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the Company during the Audit Period) ;**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Other regulations as applicable and circulars/ guidelines issued there under;

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

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

- (a) **Meghmani Organics Limited** has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-
- (b) **Meghmani Organics Limited** has maintained proper records under the provisions of the above regulations and circulars/ guidelines issued there under in so far as it appears from my/our examination of those records.
- © The following are the details of actions taken against **Meghmani Organics Limited** / its promoters/ directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

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

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

Sr. No.	Observations of the Practicing Company Secretary in Previous reports	Observation made in the Secretarial compliance report for the Year ended 31/3/2020	Action taken by the listed entity, if any	Comments of the Practicing Company Secretary on the action taken by Meghmani Organics Limited
1	Not Applicable	Nil	Not Applicable	Nil

Place: Ahmedabad
Date: 15th June, 2020

For, SHAHS & ASSOCIATES
Company Secretaries

KAUSHIK SHAH
PARTNER
FCS No 2420 CP No 1414

ANNEXURE I ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and
Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The Company recognizes its responsibility as an important stakeholder in the Society and strives to work towards the betterment of the society constantly. With this objective, on the recommendation of the CSR Committee, the Board of Directors has approved the CSR Policy which is available at: http://www.meghmani.com/inv_rel/misc/CSR-Policy.pdf

2. **Composition of the CSR Committee:**

Sr. No.	Name	Designation
1.	Mr. Manubhai Patel	Chairman
2.	Mr. Ashish Soparkar	Member
3.	Mr. Jayantilal Patel	Member
4.	Mr. Natwarlal Patel	Member

3. Average net profit of the Company for last three financial years: **Rs.737.06 Lakhs**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs. 245.69 Lakhs.**
5. Details of CSR spend during the financial year:
 - (a) Total amount to be spent for the financial years:- **Rs. 245.69 Lakhs**
 - (b) Amount unspent, if any :- **Rs. 111.68 Lakhs**

(c) Manner in which the amount spent during the financial year is detailed below:-

(Rs. in Lakhs)							
Sr. No	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs, Local Area or other specify the State and District where Program of Project was undertaken	Amount spent on Projects	Amount spent on the projects or Programs Sub Heads (1) Direct expenditure on projects or programs (DE) (2) Overheads (OH)	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through Implementing Agency
1.	Medical aid to the poor cardiac patients, contribution to procure Cath lab (Medical equipment)	Promotion of health care including preventive health care.	Amravati, Maharashtra	11.00	Direct expenditure on projects or programs	11.00	Sane Guruji Manav Sewa Sangh, Amravati, Maharashtra
2.	Contribution to construction of library	Promotion of education among children.	Bharuch, Gujarat	8.50	Direct expenditure on projects or programs	8.50	Dhwani Charitable Trust, Bharuch
3.	Contribution for promoting children education	Promotion of education among children.	Ahmedabad	30.00	Direct expenditure on projects or programs	30.00	Kalpna Foundation, Ahmedabad
4.	Contribution for health care and health check-up	Promotion of health care.	Bharuch, Gujarat	11.00	Direct expenditure on projects or programs	11.00	Nirmaya Charitable Trust, Gandhinagar
5.	Contribution for promoting education for building Preview Auditorium.	Promotion of education Special education).	Ahmedabad	25.00	Overheads (OH)	25.00	Vishwa Samvad Education Foundation
6.	Contribution for promoting health care	Contribution for promoting health care	Ahmedabad	0.51	Direct expenditure on projects or programs	0.51	Lions Club Ahmedabad Professionals.
7.	Contribution for promoting Special education	Promotion of education (Special education).	Nagarpur, Mehsana	1.00	Overheads (OH)	1.00	S.P.B. Patel Engineering College, Nagarpur, Mehsana, Gujarat
8.	Contribution for health care and health check-up	Promotion of health care.	Kadi, Mehsana	11.00	Direct expenditure on projects or programs	11.00	Kadi Taluka Public Charitable Trust, Kadi. Bhagyodaya General Hospital Kadi, Mehsana

(Rs. in Lakhs)

Sr. No	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs, Local Area or other specify the State and District where Program of Project was undertaken	Amount spent on Projects	Amount spent on the projects or Programs Sub Heads (1) Direct expenditure on projects or programs (DE) (2) Overheads (OH)	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through Implementing Agency
9.	Contribution for welfare of the mentally challenged people.	Welfare of the mentally challenged people.	Changodar, Ahmedabad	25.00	Direct expenditure on projects or programs	25.00	Aastha Vocational Re-habitation Centre for Mental Challenged, Changodar, Ahmedabad
10.	Contribution for health care	Promotion of health care. For fight Covid-19 pandemic.	Gandhinagar, Gujarat	11.00	Direct expenditure on projects or programs	11.00	Gujarat Chief Minister Relief Fund
TOTAL:				134.01		134.01	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

Because of the on-going projects the amount of 2% has not been fully spent.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

This is to confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

J. M Patel

Executive Chairman

Manubhai Patel

Chairman- CSR Committee

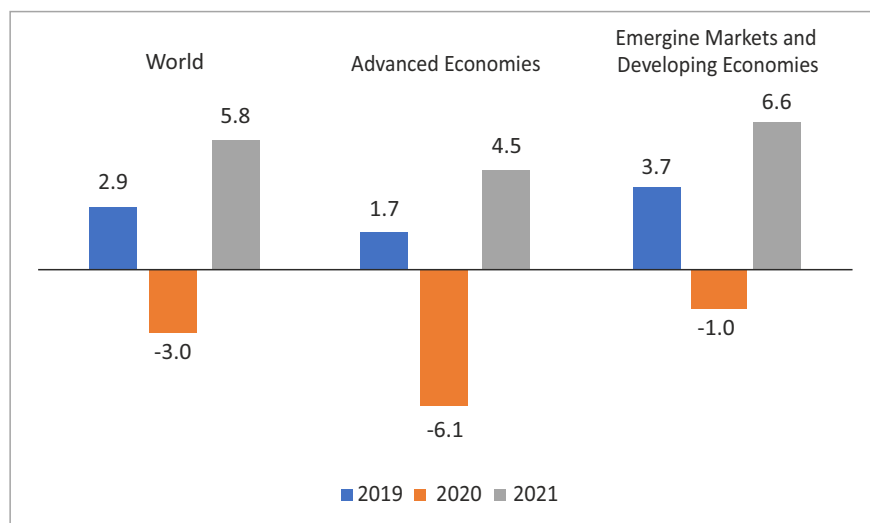
MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

COVID-19 pandemic pushed the global economy into recession with global growth projected at -3.0% in 2020, after registering 3.6% and 2.9% growth for two consecutive calendar years 2018 and 2019, respectively. The steep contraction in the world's economic growth is considerably more stressful and severe than the 2008-09 global meltdown. The crisis has forced several nations to forcefully opt for isolation, lockdowns and widespread closures hurting the global economic activity.

With the deployment of containment measures weighing on economic prospects, Advanced Economies growth is estimated to contract by 6.1% in 2020. On the other hand, weakening in the global financial environment is likely to shrink Emerging Markets and Developing Economies growth by 1.0%.

The pandemic's impact is anticipated to sedate in the latter half of 2020 due to restrictive measures taken by several economies. The global economy is projected to clock 5.8% growth in 2021 with normalized economic activity aided by policy support.



Source: IMF's World Economic Outlook (WEO), April 2020

Indian Economy

According to the International Monetary Fund's (IMF) WEO October 2019 report, India was ranked as the world's fifth-largest economy (ranked by nominal GDP) surpassing France and the UK. India has been consistently registering 6-7% GDP growth in the last decade. However, India's growth decelerated down to 4.2% in 2019 owing to lower consumer demand, NBFC crisis and slump in credit growth. According to the IMF's WEO - April 2020, India's growth is expected to slip to 1.9% in 2020 due to the COVID-19 pandemic. A sharp economic recovery will push India's growth to 7.4% in 2021.

The government unveiled an Rs. 21 trillion package ushering long-pending reforms coupled with credit guarantee to the ailing MSME sector. The Reserve Bank of India slashed the Repo by 225 bps to 4.0% in FY20 to revive growth and mitigate the impact of COVID-19.

Global Agrochemical Industry

As per Phillips McDougal, the global market for crop protection products contracted by 0.8% to US\$ 59.8 billion in 2019 weighed by extreme global weather conditions from severe flooding in North America to dry conditions and drought across major areas of Europe and Asia Pacific. The global agrochemical industry in 2019 was impacted by rising trade tensions between the US and China, increasing regulatory pressures in Europe leading to the ban of 'notable chemistries' and strengthening of the US dollar.

MANAGEMENT DISCUSSION AND ANALYSIS**Global agrochemical market (US\$ billion)**

Particulars	2018	2019	Change
Crop Protection	60.3	59.8	-0.8%
Non-Crop Pesticides	7.5	7.8	4.0%
Total	67.8	67.6	-0.3%

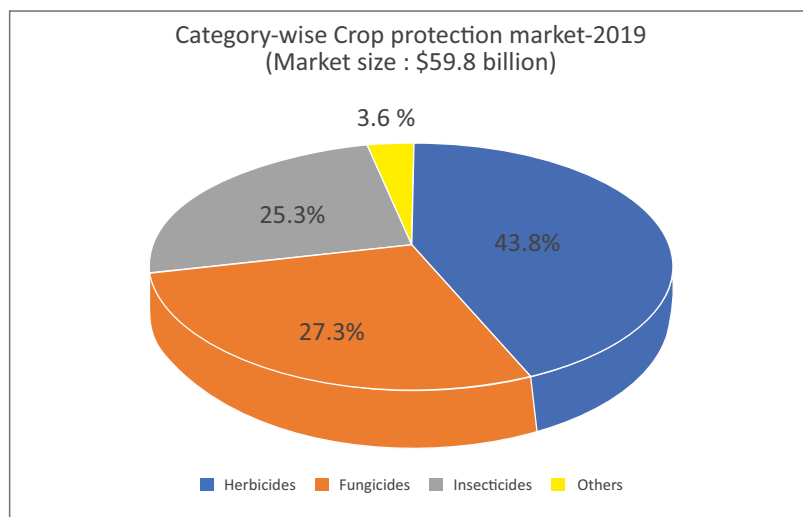
Source: Phillips McDougall

China manufactured generic products garnered better prices in 2019. Latin America performed well thanks to the normalized inventory levels. The industry saw a rise in the adoption of alternative genetically modified traits, experimenting with new products resulting in demand shift from glyphosate to expensive herbicides such as glufosinate-ammonium, dicamba and 2,4-D.

The Non-Crop Pesticides market registered 4% in 2019 mirroring global growth. Phillips McDougall expects the developing nations to boost the overall industry in the coming years owing to improving economies.

Category-wise Crop protection market

The Herbicide segment held a lion share of 43.8% amongst the global crop protection market in 2019, despite 1.5% contracting sales to US\$ 26.2 billion. Adverse weather in most geographies and unfavourable currency impacted the herbicides usage. However, the positive highlights for the year include high prices for Chinese manufactured generic products, favourable market conditions in Latin America and rising acceptance of alternative and expensive Genetically Modified (GM) products.



Source: Phillips McDougall

The Fungicides sales contracted by 0.7% to US\$ 16.4 billion with 27.3% market share in 2019. Hot, dry conditions in key regions lead to reduced disease pressure which hindered the fungicides sales.

The Insecticide market registered a tepid growth of 0.2% at US\$ 15.1 billion, thereby accounting for 25.3% share of the crop protection industry. The insecticides sales were impacted by currency fluctuations hurting dollar valuations negating positive sales in various national currencies.

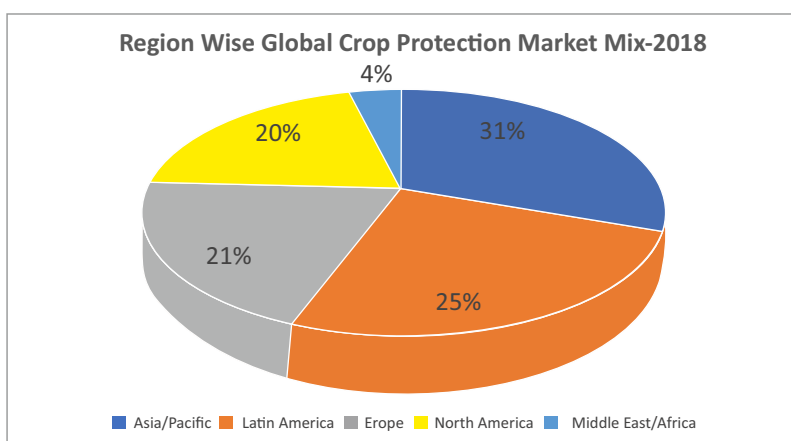
Region-wise Crop protection market**Asia Pacific**

The Asia Pacific continued to lead the Crop protection industry with a market share of 31% in 2019. However, the sales are expected to slip by 2% to US\$ 18.3 billion due to adverse currency and unfavourable weather conditions in key markets.

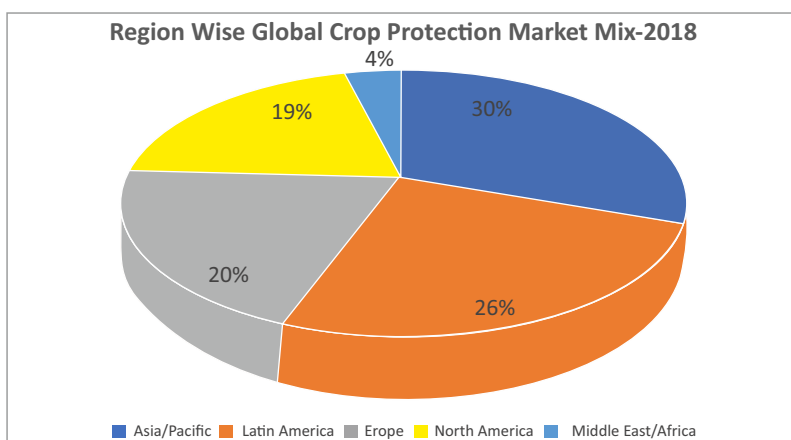
MANAGEMENT DISCUSSION AND ANALYSIS

Region-wise Crop Protection Market (US\$ in billion)	2018	2019	% Change
Asia/Pacific	18.7	18.3	-2.1%
Latin America	14.8	15.9	7.4%
Europe	12.4	12.0	-3.2%
North America	12.0	11.2	-6.7%
Middle East/Africa	2.4	2.4	-

Source: Phillips McDougall



Source: Phillips McDougall



Source: Phillips McDougall

Latin America

Latin America's agrochemical market grew for a second consecutive year, reaching US\$ 15.9 billion sales, registering 7.4% growth in 2019. The region's market share is projected to improve by 100 bps to 26% in 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Europe

The European crop protection market is expected to contract by 3.2% to US\$ 12.0 billion in 2019 weighed by the declining demand for crop protection products in France, Germany and the UK owing to adverse weather.

North America

North America's agrochemical sales experienced a sharp decline of 6.7% to US\$ 11.2 billion due to the US-China trade war. China's imposition of tariffs on US soybeans in 2018, lead to a drop in US acreages and agrochemical demand.

Middle East and Africa

The Middle East and African region agrochemical sales is expected to reach US\$ 2.4 billion in 2019, with a global market share of 4%. The region's demand was dented by a continued severe drought in South Africa.

Leading national markets

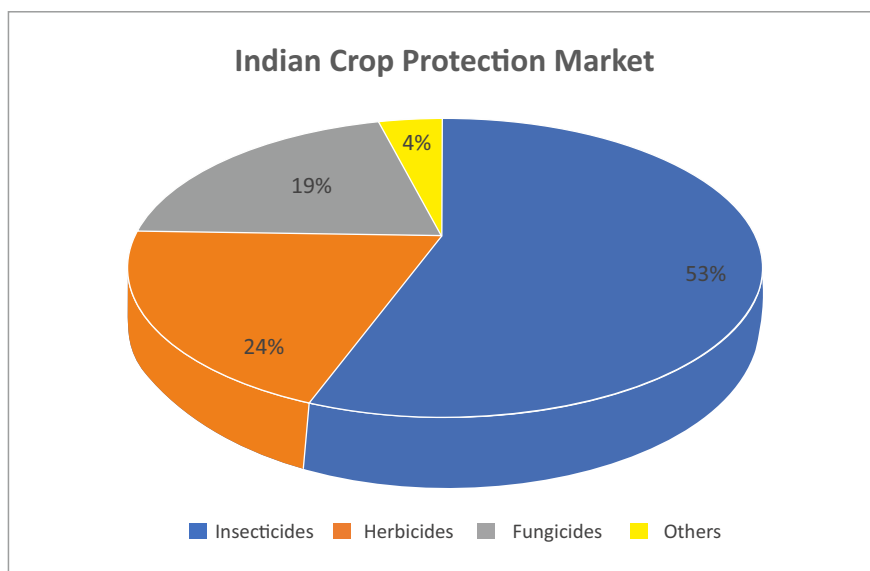
The ranking of the leading countries marginally changed in 2019. Brazil continues to lead the chart in 2019 with 9.3% YoY growth to US\$ 10.9 billion. The US, i.e. the second-largest agrochemicals market declined by 8.4% to US\$ 8.1 billion due to the adverse impact of the US-China trade war. China, Japan and India for the Asia Pacific region held the next three ranks.

Argentina and Canada frog-leaped France with 6th and 7th rank in 2019. France's agrochemical market was largely impacted by adverse weather conditions propelled to minimize pesticide usage weighed by strict regulations.

Romania entered the top 20 agrochemical market club mirroring the eastern Europe growth with European Union's liberal fund access.

Indian Agrochemical Industry

According to Agropages, India is the fourth-largest global producer of Pesticides followed by US, Japan and China. The pesticides industry was worth US\$ 5.08 billion in 2019. The domestic consumption of pesticides was pegged at US\$ 2.77 billion and the exports accounted for US\$ 2.31 billion. The rising export contribution from the Indian companies is attributed to the generic segment ranging wide range of world-class formulation.



Source: Agropages.com

MANAGEMENT DISCUSSION AND ANALYSIS

Key Growth Driver of Pesticides

Minimize the crop loss

The yearly crop losses due to pests and diseases accounts for 15-20% of India's total output as per the industry estimates. Hence, it becomes important to utilize appropriate crop protection chemicals viz. insecticides, fungicides and herbicides for protecting the crop.

Low average consumption

The average consumption of pesticides in India stands at 0.65 gm/ha vis-à-vis the global average of 3 kg/ha. The Indian agrochemical sector presents a huge untapped potential as compared to the global norms.

Rising usage of Biopesticides

Biopesticides account for 3% of the crop protection market in India. However, this segment is growing due to the government's promotion to increase the usage of biological products for plant protection. The Government's focus on Doubling Farmers Income and proactive steps for improving agricultural productivity has pushed the demand for biological products for crop protection.

Establish India as a Global agrochemical sourcing destination

The ongoing US-China trade war provides a huge opportunity for the Indian agrochemical industry to be an alternate global source point for agrochemicals. Despite having advanced pesticide technical and formulation research capabilities, India's manufacturing capacity is under-utilized. The Indian companies are increasing their investments for tapping the export business opportunities.

Lucrative generic agrochemical market

According to FICCI, agrochemicals worth US\$ 4.1 billion are expected to go off-patent by 2020 boosting Indian agrochemical production capacities. The agrochemical industry through improving yields and rising export contributions is set to play a key role in achieving the government's vision of US\$ 5 trillion economy.

Pigment Industry

According to Grand View Research, the global dyes and pigments industry was pegged at US\$ 33.2 billion in 2019 and is expected to grow at 5% CAGR from 2020 to 2027. The pigment industry growth is fuelled from rising demand from various applications such as packaging inks, textiles, paints and coatings, construction, and plastics. The demand for dyes in printing inks application is expected to experience a rising trend with the growing digital printing industry. Additionally, increasing construction activities in the US, UK, China, Indonesia, India, Saudi Arabia, and UAE is poised to contribute to the demand for dyes and pigments.

On the other hand, rising environmental concerns have coerced the industry players to upgrade their manufacturing processes by deploying advanced technologies for efficient removal of hazardous pollutants.

Regional Highlights

The Asia Pacific continued to lead the regional market accounting for over 62% of the global market share in 2019. The industry experienced strict regulations thereby obstructing the production and usage of dyes and pigments in North America and Europe. Hence, Asia Pacific witnessed a rise shift in production facilities owing to favourable manufacturing conditions and lenient regulations supported by the availability of raw materials, cheap labour, and skilled manpower.

Europe's overall market share stood at 18.1% in 2019 with rising production capacities of dyes in the region due to higher demand.

India Pigments Industry

According to Ken Research, India's pigments market is projected to surpass Rs 20,000 crore by 2022. The Indian players are making prudent investments in R&D within the regulatory framework with rising pigment end-user expectations in terms of price and quality. The companies optimizing the manufacturing cost by adopting a backward integration model, procuring raw materials well in advance and manufacturing the product as per the customers' needs.

MANAGEMENT DISCUSSION AND ANALYSIS

Product Type	Pigment Type	Description
Organics Pigments	Phthalocyanine	Phthalocyanine is the most produced organic pigment type in India
	Azo Pigments	Azo Pigments is mainly used as industry colorant in plastics, building paints and inks
	HPPs	High Performance Pigments (HPPs) is generally used in automotives, plastics and ink-jet printing
Inorganics Pigments	Titanium Oxide	Dyestuff and pigment manufacturers operating within India have started to incorporate the use of natural substance including natural dyes and organic pigments owing to environmentally friendly nature and safe usage of the product
	Iron Oxide Pigments	
	Chrome Oxide Pigments	
	Others	

Major Segments

The Pigment industry in India is expected to register 5.5% CAGR in 2017-2022E as per Ken Research. The radical changes happening in the Chinese chemical industry is likely to provide huge opportunities for Indian manufacturers to increase their exports in pigment emulsions in major countries including US, Germany, China, Brazil, Italy and others.

Chlor-Alkali Industry

According to Market Watch, the global Chlor-Alkali industry is valued at US\$ 76.0 billion in 2020. It is expected to surpass US\$ 94.2 billion in 2026 registering 3.1% CAGR during 2021-26. Chlor Alkali chemicals are broadly classified into three segments namely Caustic Soda (NaOH), Chlorine & Soda Ash. The chemicals have widely used in soap & detergent industry, paper and pulp, textiles, water treatment, plastic industry, industrial solvents, alumina, pharmaceuticals, etc.

Indian Chlor-Alkali Industry

The Chlor-Alkali industry is recognized by global peers as one of the most efficient, eco-friendly and progressive industries. The Indian Chlor-Alkali industry was amongst few of the nations to embrace modern energy-efficient and eco-friendly membrane cell technology.

During the financial year 2019, caustic soda capacity stood at 4.3 MMTPA (Million Metric Tonne Per Annum) with capacity utilization of 84.7%. The total exports during 2018-19 stood flat at 161.1 KMT.

Alkalies products act as the basic building blocks having applications in aluminium, paper, textile and plastic industries. Thus, Alkali and Chlor-Vinyl industry is expected to witness substantial growth potential in the coming years. Additionally, the demand for these products is projected to be in an uptrend with rising middle-class aspirations, higher disposable income coupled with low penetration.

Company Overview

Meghmani Organics is a leading diversified chemical company poised for growth across its three (Pigment, Agro Chemicals and Chlor- Alkali & Derivatives) high potential businesses. Across the three sectors, the Company is one of the leading global pigment players along with a vertically integrated Agro Chemical player and India's one of the leading low-cost Caustic-Chlorine player. The Company operates 7 facilities in Gujarat, including 3 major facilities for Pigments, Agro Chemicals each and one facility for Chlor- Alkali & Derivatives in Dahej, the chemicals zone of Gujarat. Over the years, the Company has built an extensive pan-India and global footprint with a presence in over 75 countries and a portfolio of over 400 marquee clients. Company continues to strengthen its stance to become one of the leading diversified chemical Company in Organic Chemistry aiming worldwide presence and product acceptability. To set up world class development centre to facilitate upgrading technical capabilities and cost effective measures.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is committed to stick to its core businesses in organic chemistry offering innumerable growth opportunities, create and build a high standard manufacturing base, adhere to prescribed 'Environmental & Safety Standards' and strive continuously to upgrade them, respect minority shareholders and their trust in management and create sustainable 'Value' for all the stakeholders.

The Company has a sustainable business model, well-integrated manufacturing base and plants located in the chemical hub of Gujarat, relatively most stable and peaceful state with a robust infrastructure. The Company has fairly well-balanced plant capacities and layouts with multiple locations that support the economy of scale. We constantly explore more possibilities for backward integration and try to implement them. This helps sizably in eliminating the dependency on input supplies and the Company is able to convert effluents into valuable by-products.

The Company has a strong pool of product basket. The product reach and distribution too, are well diversified geographically with presence in almost every continent, empowering consistency in products off-take all throughout the year.

COVID-19 update

As per the government directives, the Company's office and Plants were temporarily closed for 2 weeks during phase 1 of Lockdown. Meghmani Organics' plants and offices are currently operational and functional under strict compliance with the Government's safety and security norms for COVID-19. The Company is ensuring implementation of government directed measures like wearing masks and gloves, proper sanitization, social distancing, etc. for combating COVID-19. Meghmani Organics expects to achieve normalcy in its operations at its all plants by Q2 FY20.

Financial Performance

Meghmani Organics delivered a robust performance with the consolidated growth of 5% YoY to INR 21,912 million in FY 20. The Company's top-line was impacted marginally by 3%-4% due to COVID-19. EBITDA at INR 4341 million and EBITDA margin remained at 19.8% in FY 20. The company's PAT decreased by 4.4% YoY to INR 2,401 million during the year. Meghmani Organics continues to deliver a strong return ratio, with a Return on Equity of 22.7% and Return on Capital Employed of 17% in FY 20.

Agrochemical Business

Meghmani Organics has established itself as one of India's leading vertically integrated Agro Chemicals player with the presence in the entire value chain — Intermediate, Technical grade and Formulations (bulk and branded). The Company effectively manages its raw material costs and ensures a constant supply of consistent quality due to its integrated vertical business integration.

Meghmani Organics enjoys a competitive advantage via presence in the entire value chain (less dependent on raw material) in the highly regulated Agrochemicals industry. The Company has a strong portfolio of 297 export registrations, 356 CIB registrations. Meghmani Organics diverse global client base accounts 79% of its Agro Chemical export sales. The Company exports Technical as well as Formulation (bulk and branded) products to Africa, Brazil, LATAM, US and European countries.

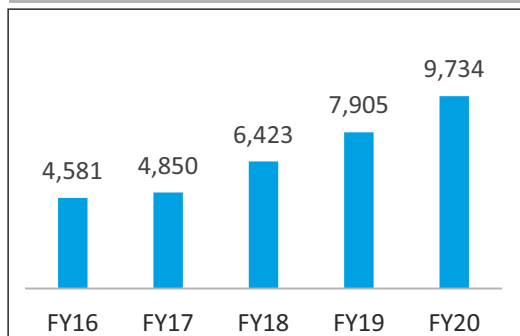
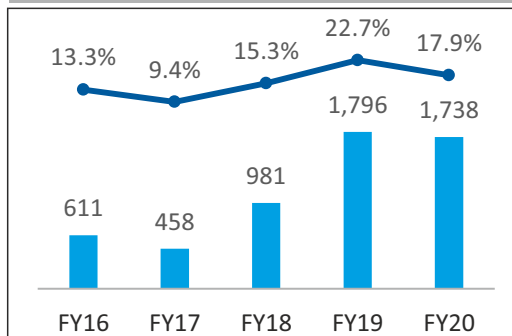
Meghmani Organics major products include 2,4D, Cypermethrin, Bifenthrin, Permethrin, Chlorpyrifos and Profenophos. In branded formulations, the Company has established a strong pan India presence with about 3000 channel partners. Megastar, Megacyper, Megaban, Synergy, Courage, Correct and Mega Claim are its key agrochemical brands.

The Company has three state-of-the-art manufacturing facilities located at: -

- GIDC Ankleshwar, (6,420 MTPA)
- GIDC Panoli, (7,200 MTPA)
- GIDC Dahej, (18,240 MTPA)

Agrochemical - Highlights

Meghmani Organics' agrochemical segment exhibited a strong performance in FY20 with 23% YoY increase in net sales to INR 9,734 million. Exports accounted for 79% YoY growth during FY20. EBITDA during the year INR 1,738 million and EBITDA margin for the period was 17.9%.

MANAGEMENT DISCUSSION AND ANALYSIS**Net Sales (Rs Mn)****EBITDA (Rs Mn) & EBITDA Margin (%)****Outlook and Strategy**

Meghmani Organics's backward integrated facilities put it in an advantageous position, given the current rising raw material prices from China. Company is doubling its 2,4-D Capacity by addition of 10,800 MTPA which will be operational by Q3 FY21 and its new formulation plant will be operational by Q3 FY21. The Company is also planning a New Multipurpose plant (MPP) at Dahej with backward integration with capex of INR 3.0 billion which will be spent in next 2 years.

The Company is expanding its branded products portfolio by addition of new molecules.

Pigment Segment

Meghmani Organics is amongst the top 3 global pigment manufacturers of Phthalocyanine-based Pigments with 14% global market share. The Company has vertically integrated facilities manufacturing CPC Blue (an upstream product sold to other Pigments manufacturers) and end products — Pigment Green and Pigment Blue. These Pigments products are used in multiple applications, including paints, plastics and printing inks.

The Company's Pigments business enjoys a strong global presence with exports accounting for 77% of net sales. The Company has forged a deep relationship with its clients resulting in 90% business from its repeat customers. The Company has a global presence in more than 70 countries with a subsidiary in the US which helps in maintaining a front-end presence along with the ability to work closely with end-user customers.

Meghmani Organics has three dedicated manufacturing facilities for Pigments products at: -

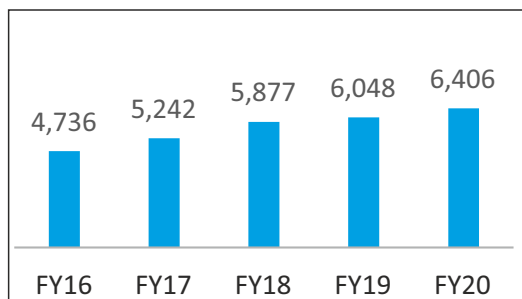
- GIDC Vatva, Ahmedabad, (3,180 MTPA) manufacturing Pigment Green and AZO Pigments
- GIDC Panoli, near Ankleshwar, (17,400 MTPA) producing CPC Blue, Alpha and Beta Blue
- Dahej SEZ Ltd, (12,600 MTPA) manufacturing CPC Blue, Alpha and Beta Blue

Pigments – Highlights

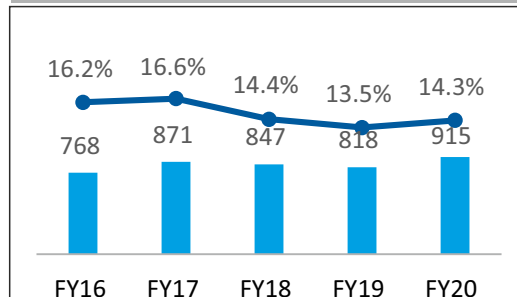
Meghmani Organics' pigment segment recorded 6% YoY increase in net sales to INR 6,406 million in FY20. Exports accounted 77% of the revenues during the year. EBITDA during the year surged by 12% YoY to INR 915 million due to favourable market conditions and better price realizations. EBITDA margin for the period grew by 80 bps YoY to 14.5%.

MANAGEMENT DISCUSSION AND ANALYSIS

Net Sales (Rs Mn)



EBITDA (Rs Mn) & EBITDA Margin (%)



Outlook and Strategy

Meghmani Organics is amongst the largest producers for the Copper Phthalocyanine Pigment. In the coming years, the Company plans to diversify further with the addition of new pigments. The Company has regulatory approvals and infrastructure in place for expansion at its Dahej facility. Meghmani Organics continues to focus on strengthening its domestic presence, enhance its global market share tapping the prevailing market opportunities in growing end-user industries.

Chlor-Alkali and its Derivatives - Highlights

Meghmani Organics Ltd is 4th largest and one of the most efficient manufacturers of Chloro-Alkali & its Derivatives with forward integrated facilities. Meghmani Organic's Caustic soda, Caustic Potash, CMS (Chloromethane) capacity stands at 294000 TPA, 21,000 TPA and 50,000 TPA, respectively and expanding its integrated captive power plant capacity from 60MW to 96MW in Q1 FY21. The power cost consists of 60% of the total raw material cost in Caustic Soda production. The Company's captive power plant lowers the power cost thereby resulting in a higher margin. The Chlor-Alkali facility is strategically located at Dahej with proximity to the port (importing coal) and customers (Caustic Soda & Chlorine supplied via pipeline), leading to lower logistics costs.

Meghmani Organics deploys the latest fourth generation 'Membrane Cell Technology' sourced from Asahi Kasei Chemical Corp, Japan, (one of the most established technology providers of Chlor Alkali products).

The Company's planned capex of INR 10.45 billion involving multiple projects are aligned with its strategic goal of expanding the chemicals business.

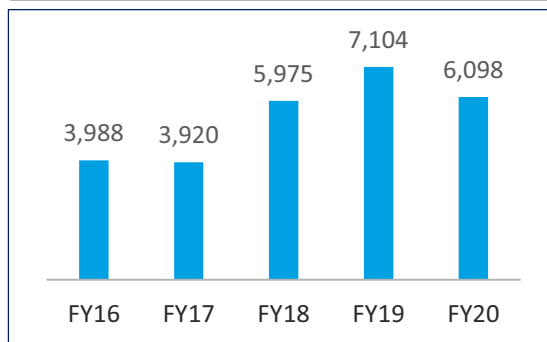
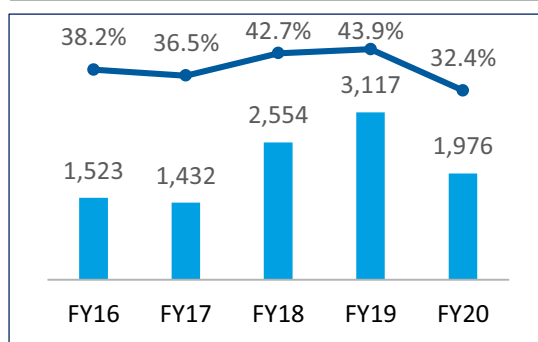
In the Phase 1 the Company invested INR 7.6 billion for expansion of the following projects:

- Chloromethane project of 50,000 MTPA to produce MDC, Chloroform and Carbon Tetra Chloride. The project was commissioned in Q1 FY20. The project facilitates in-house availability of Chlorine empowering cost optimization and enhanced profitability.
- Hydrogen Peroxide capacity of 60,000 MTPA. The project is expected to be commissioned in Q2 FY21.
- Expansion of its Caustic soda plant capacity from 1,66,600 TPA to 2,94,000 TPA and Captive Power Plant capacity to 96MW from 60 MW which is expected to be operational by Q1 FY21

Chlor-Alkali and its Derivatives – Highlights

Meghmani Organics' Chlor Alkali segment recorded net sales INR 6,098 million in FY20 lower by 14%. EBITDA during the year INR 1,976 million lower by 36% and EBITDA margin for the period at 32.4% compared to 43.9% during the last year. The decrease in EBITDA during the year was due to the following reasons:

- Exceptionally higher ECU realisation in FY19
- Plant shut downs for commissioning of the new projects
- Impact on sales due to Covid-19 lockdown in March'20.

MANAGEMENT DISCUSSION AND ANALYSIS**Net Sales (Rs Mn)****EBITDA (Rs Mn) & EBITDA Margin (%)****Outlook and Strategy**

Meghmani Organics' strategic investment as progressing as planned. The key drivers for profitable growth are timely completion of capex projects backed with the strong performance of the Chlor Alkali Industry.

Meghmani Organics plans to incur a capex of INR 2.75 billion to set up Epichlorohydrin (ECH) project of 50,000 TPA capacity which is expected to be operational by Q4 FY22. The Company's ECH project is 1st largest plant in India based on 100% Renewal sources.

The Company has also announced new investment for CPVC Resin project of 30,000 TPA capacity expected to be operational by Q3 FY 2023.

With new downstream derivatives projects, Meghmani to take the share of value-added products to 57% by FY 24

Key Risks and Concerns

Meghmani Organics mitigates its key risks across all levels of business operations by structuring and continuously identifying, assessing, deciding and executing the planned course of action.

Erratic monsoon and Unfavourable weather lowering agrochemical demand

The Indian agrochemical industry is still largely dependent on monsoons. Uneven rainfall affects crop acreages, agrochemical application and overall productivity having a direct impact on the Company's top-line.

Mitigation: The Company's diverse product portfolio backed by established global and national presence can easily navigate through erratic monsoons and unfavourable weather by tapping opportunities in other regions/geographies.

Changes in government policies

The Company exports its products to multiple countries/geographies. Any adverse changes in the political, economic, regulatory or social conditions of these countries might bump the Company's business prospects.

Mitigation: Meghmani Organics' de-risked business model reduces its dependency on any single country for selling its multiple products.

Exchange and Interest Rates Fluctuations

Meghmani Organics' presence in multiple countries exposes to foreign currency revenue. The Company realizes foreign currency gain or loss based on depreciation or appreciation of the US Dollar.

Mitigation: The Company's exports acts as a natural hedge against imports and borrowing in foreign currency. The Company has foreign currency risk management policy in place. However, any adverse movement in the foreign exchange rates might impact the results of operation, cash flows, liquidity, and financial condition of the Company.

Fluctuations in Raw Material Prices

Drastic changes and continuous fluctuations in the prices of key raw materials can pose critical challenges to the company's growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Mitigation: Meghmani Organics diversified business verticals follow prudent procurement, backward and forward integration, quality control measures, technical competence, logistics facilities and deep customer relationship. The Company's high degree of product customization, consistent quality coupled with strict compliance adds to client stickiness.

Capacity additions and Dumping of Caustic Soda impacting realizations

Meghmani Organics Chlor Alkali and derivatives segment prospects can get affected by new Capacity additions and dumping of Caustic Soda from neighbouring countries hurting Electrochemical Unit (ECU) realizations.

Mitigation: The Company has emerged one of the lowest-cost producers of Caustic Chlorine in India thanks to its strategically located proximity to the port (importing coal) and customers (Caustic Soda and Chlorine supplied through the pipeline).

Internal Control System

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

Particulars (Rs in million)	FY 2019	FY 2020
Net Sales	20,880	21,912
EBITDA	5,445	4,341
PBT	4,086	3,590
PAT before Minority Interest	2,954	2,890
PAT after Minority Interest	2,513	2,401
Key Ratios		
Net Sales Growth	16%	5%
EBITDA Margin	26%	20%
ROE	26%	23%
ROCE	27%	26%
D/E Ratio	0.62	0.57

Human Capital

The Company considers its employees as the most valuable resource and provides a healthy and competitive work environment to enable the employees to excel and create new benchmarks of quality, productivity, efficiency and customer delight. The Company always believes in maintaining mutually beneficial, healthy and smooth industrial relations with the employees and the Unions which is an essential foundation for achieving collective organisational success. The consistent HR Policies of the company helps in attracting the best talent pool; retention and controlling low attrition rate

Cautionary Statement

Certain statements contained in the Management Discussion and Analysis may be statements of the Company's beliefs, plans and expectations about the future and other forward-looking statements that are based on management's current expectations or beliefs as well as a number of assumptions about the Company's operations and factors beyond the Company's control or third party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Forward-looking statements contained in the Management Discussion and Analysis regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report.

CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Directors present the Company's Report on Corporate Governance which sets out systems and processes of the Company, as prescribed in Regulation 17 to 27 of Securities and Exchange Board of India (SEBI) and the requirements of the Corporate Governance in terms of Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") for the Financial Year ended on **31st March, 2020**.

This report also outlines the Company's corporate governance practices with reference to the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the "Code") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual of the SGX-ST") for the financial year ended on **31st March, 2020**. The Company has complied in all material aspects with the principles and guidelines of the Singapore Code and where there were deviations from the Code, appropriate explanations are provided.

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

2. BOARD OF DIRECTORS

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

Name of the Director	Skill / Expertise/ competence
Mr. Jayantilal Patel	International Marketing & Corporate Affair, Policy decision making, Human Resource Management
Mr. Ashish Soparkar	Corporate Finance & Banking
Mr. Natwarlal Patel	Technical & Production, Marketing (Agro & Pigments)
Mr. Ramesh Patel	Sourcing of Material (Domestic & Import), Liaison with regulatory authorities
Mr. Anand Patel	Technical & Production and Marketing (Pigment)
Mr. Manubhai Patel	Finance, Accounts and Taxation
Ms. Urvashi Shah	Taxation, Economics
Prof (Dr) G D Yadav	Scientific - Research, Educationalist
Mr. C S Liew	Entrepreneur - Agrochemical Marketing - Singapore
Mr. Bhaskar Rao	Marketing, Communications & Advertising - Singapore

a) BOARD COMPOSITION :

Singapore Corporate Governance Code Principle:-2

Category	No. of Directors	%
Non Executive & Independent Directors	5	50%
Executive Directors	5	50%
Total	10	100%

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

CORPORATE GOVERNANCE**Singapore Exchange: - Guide Line 2.2**

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

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

The Board conducts regular scheduled meetings on a quarterly basis. An ad-hoc meeting is convened when circumstances require. Details relating to the number of Board and Committee meetings and the attendance of the directors are disclosed in this Report.

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

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

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

Name of Director	Position	Board Meeting attended	AGM Attended
Mr. Jayantilal Patel	Executive Chairman	4	Yes
Mr. Ashish Soparkar	Managing Director	5	Yes
Mr. Natwarlal Patel	Managing Director	5	Yes
Mr. Ramesh Patel	Executive Director	4	Yes
Mr. Anand Patel	Executive Director	4	Yes
Mr. Balkrishna Thakkar**	Independent Director	1	Yes
Mr. Manubhai Patel	Independent Director	5	Yes
Ms. Urvashi Shah	Independent Director	4	Yes
Mr. Chander Sabharwal**	Independent Director	1	No
Mr. Bhaskar Rao	Independent Director	1	No
Mr. C. S. Liew	Independent Director	1	No
Prof. (Dr.) Ganapati Yadav*	Independent Director	1	-

Note:-

* Prof. (Dr.) Ganapati Yadav – appointed as Additional Director on the Board on 09th August, 2019.

** Mr. Balkrishna Thakkar and Mr. Chander Sabharwal – Independent Director - term of appointment expired at the Annual General Meeting held on 25th July, 2019

CORPORATE GOVERNANCE

(c) DIRECTORSHIPS AND MEMBERSHIP ON COMMITTEES:-

The total number of Directorships held by the Directors and the position of Membership / Chairmanship of Committees is given below.

Name of Director	Designation	Category	Directorship in other Public Limited Companies *	Committee Membership of other Companies**
Mr. Jayantilal Patel	Executive Chairman	Executive	3	Nil
Mr. Ashish Soparkar	Managing Director	Executive	2	Nil
Mr. Natwarlal Patel	Managing Director	Executive	6	Nil
Mr. Ramesh Patel	Executive Director	Executive	2	Nil
Mr. Anand Patel	Executive Director	Executive	1	Nil
Mr. Balkrishna Thakkar	Independent Director	Non – Executive	1	1
Ms. Urvashi Shah	Independent Director	Non - Executive	0	Nil
Mr. Manubhai Patel	Independent Director	Non - Executive	4	1
Mr. Bhaskar Rao	Independent Director	Non - Executive	0	Nil
Mr. Chander Sabharwal*	Independent Director	Non - Executive	1	Nil
Mr. C. S. Liew	Independent Director	Non - Executive	0	Nil
Prof. (Dr.) Ganapati Yadav **	Independent Director	Non - Executive	3	2

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

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

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

(d) NUMBER OF BOARD MEETINGS HELD :-

Singapore Exchange – Code Of Corporate Governance Guide Line 1.4

During the financial year ended on 31st March, 2020, 5 (five) meetings of the Board of Directors were held and the gap between two meetings did not exceed One hundred and Twenty (120) days. The Five Board meetings were held on 24.05.2019, 09.08.2019, 09.11.2019, 29.01.2020 and 03.03.2020.

The last Annual General Meeting of the Company was held on **25th July, 2019**.

(e) LIMIT ON NUMBER OF DIRECTORSHIP:-

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

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

(f) INDEPENDENT DIRECTORS

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

The Independent Directors have been appointed for a fixed term of 5 (five) years from their respective dates of appointment with an option to retire from the office at any time during the term of appointment. Their appointment has been approved by the Members of the Company. The Independent Directors have confirmed that they meet with the criteria of independence laid down under the Act, the Code and SEBI Regulations, 2015.

CORPORATE GOVERNANCE**(g) TRAINING OF INDEPENDENT DIRECTOR:-**

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

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

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

(h) SEPARATE MEETING OF INDEPENDENT DIRECTOR:-

The Independent Directors had met on **03rd March, 2020**, without the attendance of Non-Independent Directors and members of management to discuss the followings:-

- i. To review the performance of Non-Independent Directors and the Board as a whole;
- ii. To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

(i) ISSUANCE OF LETTER OF APPOINTMENT :-

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

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

PERFORMANCE EVALUATION OF THE BOARD & INDIVIDUAL DIRECTORS:- Singapore Corporate Governance Code Principle :-5

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the Annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

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

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

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

CORPORATE GOVERNANCE

(j) BOARD'S ROLE:- Singapore Exchange Corporate Governance -Principle 1

The Board's role is to:

- (1) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (2) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- (3) identify the key stakeholder groups and recognize that their perceptions affect the Company's reputation;
- (4) set the Company's values and standards (including ethical standards) and ensure that obligations to shareholders and other stakeholders are understood and met;
- (5) Consider sustainability issues, e.g. environmental, governance and social factors, as part of its strategic formulations
- (6) review and approve the recommended remuneration framework and packages for the Board and key management personnel;
- (7) review the performance of the Board, set the criteria for selection of directors and to nominate directors for shareholders' approval; and
- (8) Ensure communications with shareholders are accurate, adequate and timely.

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

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

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

(k) CHAIRMAN AND CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR - Singapore Exchange Corporate Governance Principle -3

The Chairman and Managing Directors are the different person. The Chairman and Managing Directors have defined responsibilities which, during his tenure so far, have not been conflicted with each other. Major business proposals are discussed at Board meetings before decisions are made.

The Board believes that there is sufficient element of independence and adequate safeguards against a concentration of power in one single person.

The Chairman is responsible to, among others:-

- (a) lead the Board to ensure its effectiveness on all aspects of its role;
- (b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promote a culture of openness and debate at the Board;
- (d) ensure that the directors receive complete, adequate and timely information;
- (e) ensure effective communication with shareholders;
- (f) encourage constructive relations within the Board and between the Board and management;
- (g) facilitate the effective contribution of non-executive directors in particular; and
- (h) promote high standards of corporate governance.

CORPORATE GOVERNANCE**(9) AGENDA FOR BOARD MEETING:-****Singapore Exchange – Code of Corporate Governance Guide Line 1.5**

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

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

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

(I) POST MEETING FOLLOW-UP MECHANISM:-

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

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

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

(n) COMPLIANCE REPORT:

While preparing the Agenda adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with the Rules made there under, Secretarial standard issued by ICSI. The Board periodically reviews all statutory compliance reports of all laws applicable to the Company. The Company has Installed Legatrix module for better legal compliance & monitoring.

CORPORATE GOVERNANCE

(o) ACCESS TO INFORMATION - SGX - Guideline 6.1 of the Code

The Directors have separate and independent access to the Company's management and the Company Secretary at all times. Directors are entitled to request from management and should be provided with such information as needed to make informed decisions in a timely manner. The Board is informed of all material events and transactions as and when they occurred.

Should the Directors, whether individually or collectively, require independent professional advice; such professionals (who will be selected with the approval of the Chairman of the respective Committees requiring such advice) will be appointed at the expenses of the Company.

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

(p) RELATIONSHIP BETWEEN DIRECTORS:-

Mr. Jayanti Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel are related as brothers. **No other directors are related to each other.**

(q) CHAIRMAN AND GROUP CEO –

Singapore Exchange Corporate Governance Principle 3:

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

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

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

The Chairman also facilitates the effective contribution of the Non-Executive Directors and promotes high standards of corporate governance.

Mr. Ankit Patel - CEO, is responsible for the day-to-day management affairs. He also executes the strategic plans set out by the Board and ensures that the Directors are regularly kept updated and informed of the Group's business.

The members of the Remuneration Committee and Nomination Committee are independent directors. Therefore, the Board believes that there are adequate safeguards for checks which ensure a balance of power and authority such that no one individual represents a considerable concentration of power.

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

Particulars of Equity Shareholding of Independent Directors: - 31.03.2020

Name of Independent Director	No. of Equity Shares of Rs. 1/- each
Ms. Urvashi Shah	Nil
Mr. Manubhai Patel	Nil
Mr. Bhaskar Rao	Nil
Mr. C. S. Liew	Nil
Prof. (Dr.) Ganapati Yadav	Nil

CORPORATE GOVERNANCE

- to grant omnibus approval for Related Party Transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions.
- to carry out any other function as mentioned in the terms of reference of the audit committee.

3.2 COMPOSITION OF AUDIT COMMITTEE:-

SINGAPORE EXCHANGE CODE OF CORPORATE GOVERNANCE GUIDE LINE 11.8

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

3.3 MEETING AND ATTENDANCE :-

The Committee met four times during the year on 24.05.2019, 09.08.2019, 09.11.2019 and 29.01.2020.

Name of the Director	Category of directorship	Qualification	No. of meetings attended
Mr. Manubhai Patel	Chairman - Independent Director	ACA- Institute of Chartered Accountant of India (ICAI)	4
Mr. Balkrishna Thakkar (Term expired on 25 th July, 2019)	Member - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	1
Mr. Chander Sabharwal (Term expired on 25 th July, 2019)	Member - Independent Director	BA Honors (Economics)	1
Ms. Urvashi Shah (Appointed on 9 th August, 2019)	Member - Independent Director	Bachelor of Arts (BA) with Economics, Intermediate Exam of Institute of Chartered Accountants of India.	3
Prof. (Dr). Ganapati Yadav (Appointed on 9 th August, 2019)	Member - Independent Director	B. Chem. Eng. Ph.D. (Tech.), D.Sc. (Hon. Causa, DYPK), FTWAS, FNA, FASc, FNASc, FNAE, FRSC (UK), FISTE , FICHEM (UK), FIChE, FIC	1

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

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

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

- (1) Management Discussion and Analysis of financial condition and results of operation:
- (2) Statement of significant Related Party Transactions submitted by management:
- (3) Internal Audit Reports relating to internal control weaknesses:

CORPORATE GOVERNANCE**3. COMMITTEES OF THE BOARD OF DIRECTORS**

The Board has constituted the following five Committees:-

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

The Risk Management Committee is not applicable to the Company. It is applicable to top 500 listed entities on the basis of market Capitalisation as on **31.03.2020**. The Company Ranks at **547** on the basis of market Capitalisation.

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

3.1 AUDIT COMMITTEE (AC) - TERMS OF REFERENCE :-**Singapore Exchange – Code of Corporate Governance Guide Line 11.8**

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

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

- to review the audit plan and Company's statutory auditors report;
- to recommend appointment, remuneration and terms of appointment of auditors of the Company;
- to review the financial statements of the Company before their submission to the Board;
- to review with management the quarterly financial statements of the Company before their submission to the Board;
- to review co-operation given by the Company's officers to the Statutory auditors and internal auditors during the process of audit;
- to discuss nature and scope of audit before audit commences with statutory auditors;
- to review the scope of internal audit procedures;
- to nominate Statutory Auditors for re-appointment;
- to review with management, performance of Statutory and Internal Auditors and adequacy of the internal control system;
- to approve or any subsequent modification of transactions with related parties;
- to scrutinize inter-corporate loans and investments;
- to ascertain valuation of undertakings or assets, wherever it is necessary;
- to evaluate internal financial controls and risk management systems
- to discuss with internal auditors of any significant findings and follow up action thereon.
- to review the functioning of the whistle blower mechanism;
- to approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

CORPORATE GOVERNANCE**3.5 INTERNAL AUDIT FUNCTION:-**

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

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

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

3.7 Total fees for all services paid by the Company to the Statutory Auditors is given below:

	FY 2019-20 Rs. In Lakhs
Audit Fees	30.90
Other Services	0.20
Reimbursement of Expenses	2.38
Total	33.48

3.8 MAINTENANCE OF FINANCIAL RECORD -**SGX Listing Rule 1207 (10) :- (Guideline 11.3 of the Code).**

Based on reports submitted by the external and internal auditors, the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the management that was in place throughout the financial year and up to date of this report, the Board, with the concurrence of the Audit Committee and assurance of the management (including Chief Executive Officer and Chief Financial Officer) as well as the Internal Auditors, are of the opinion that

- (a) the financial records have been properly maintained and financial statements give a true and fair view of the Company's operations and finances and
- (b) the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at the date of this report.

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

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

3.9 ASSURANCE FROM CEO AND CFO:-

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

4. NOMINATION COMMITTEE (NC)-TERMS OF REFERENCE :-**Code Of Corporate Governance Guide Line 4.1**

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

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

CORPORATE GOVERNANCE

- (b) Review the Board structure, size and composition, having regard to the principles of the Code;
- (c) Assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
- (d) Put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Group;
- (e) Make recommendations to the Board for the continuation in services of any **Executive Director** who has reached the age of **70 (Seventy) years**;
- (f) Recommend Directors who are retiring by rotation to be put forward for re-election;
- (g) Decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;
- (h) Recommend to the Board internal guidelines to address the competing time commitments faced by directors who serve on multiple boards;
- (i) Assess the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board on an annual basis.
- (j) Devising a policy on Board diversity;
- (k) Formulation of the criteria for determining qualifications, positive attributes and independence of a director; for evaluation of performance of Independent Directors and the Board of Directors;

4.1 INDEPENDENCE OF DIRECTOR -

SGX Corporate Governance Code - Guideline 2.1 :-

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

NOMINATION PROCESS FOR NEW DIRECTORS –

SGX Corporate Governance - Guideline 5.1 :-

The search and nomination process for new Directors are through personal contacts and recommendations of the Director. NC will review and assess candidates before making recommendation to the Board.

NC will also take the lead in identifying, evaluating and selecting suitable candidate for new Directorship. In its search and selection process, NC considers factors such as commitment and the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees.

4.2 TO ASSESS THE INDEPENDENCE OF INDEPENDENT DIRECTOR –

SGX Corporate Governance Code 2.4

The term of Mr. Balkrishna Thakkar - Independent Director after serving on the Board for **10 years completed on 25th July, 2019** and of Mr. Chander Sabharwal- Independent Director after serving on the Board for **5 years completed on 25th July, 2019**.

No other director has served beyond 10 years. Hence no assessment of Independent Director is required under SGX Corporate Governance Code 2.4.

NC has adopted a formal system of evaluating Board performance as a whole and the contribution of each individual Director. An evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. Each member of NC shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director.

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

CORPORATE GOVERNANCE**4.3 COMPOSITION OF NOMINATION COMMITTEE:-**

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

4.4 MEETINGS AND ATTENDANCE DURING THE YEAR:-

The Committee met on 24.05.2019 and 09.08.2019. The particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings held
Mr. Manubhai K Patel ***	Chairman - Independent Director	2
Ms. Urvashi Shah	Member – Independent Director	1
Prof.(Dr.) Ganapati Yadav*	Member – Independent Director	0
Mr. Balkrishna Thakkar **	Chairman - Independent Director	1

* Appointed as Member on 09th August, 2019

** Ceased to be a member on expiry of term on 25th July, 2019

*** Appointed as Chairman on 09th August, 2019

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

- Recommend to the Board a framework of remuneration and specific remuneration packages for all Directors of the Company, Key Managerial Personnel (KMP) and other Senior Management Personnel;
- Review the service contracts of the Executive Directors;
- Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time;
- Reviewing and enhancing on the compensation structure to incentive performance base for key executives;
- Ensure that the remuneration packages are comparable within the industry and comparable Companies and include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive Director's performance.
- To facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.
- Remuneration Committee will recommend to the Board a framework of remuneration for the Directors,
- All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee.

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

5.1 COMPOSITION OF COMMITTEE:-**Singapore Corporate Governance Principle - 7**

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

CORPORATE GOVERNANCE

5.2 MEETINGS AND ATTENDANCE DURING THE YEAR:-

The Committee met on **01.04.2019** and **24.05.2019** particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings held
Mr. Balkrishna Thakkar*	Member – Independent Director	2
Ms. Urvashi Shah	Member – Independent Director	1
Mr. Manubhai K Patel	Chairman – Independent Director	2
Prof. (Dr.) Ganapati Yadav**	Member – Independent Director	0

* Ceased to be a member on expiry of term on 25th July, 2019

** Appointed as member on 09th August, 2019

5.3 PECUNIARY RELATIONSHIP OR TRANSACTION :-

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

5.4 PAYMENT TO EXECUTIVE DIRECTORS :-

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

5.5 NON EXECUTIVE DIRECTORS' COMPENSATION & DISCLOSURES :-

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

REMUNERATION TO ALL THE DIRECTORS:-

The members at the Annual General Meeting held on **25th July, 2019** has approved the re-appointment and terms of remuneration payable to Mr. Jayantilal Patel Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel Managing Directors, Mr. Ramesh Patel and Mr. Anand Patel – Executive Directors (collectively referred to as Working Directors") **for a period of 5 years from 01st April, 2019**. In FY 2019-20, the Company has paid Salary of **Rs. 7,50,000/- per month** and perquisites to each of the Working Directors.

During the year, over and above salary, the Company has paid Performance Bonus to Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel for the financial year FY 2018-19. The remuneration paid is within the limits approved by the Shareholders.

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

5.6 SITTING FEES PAID TO INDEPENDENT DIRECTORS DURING FY 2019-20:-

Name of Independent Director	Sitting Fees Rs.in Lakhs
Mr. Balkrishna Thakkar	1.53
Mr. Manubhai Patel	4.28
Ms. Urvashi Shah	2.50
Prof. (Dr.) Ganapati Yadav	0.50
Mr. Chander Sabharwal	0.52
Total	9.33

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

CORPORATE GOVERNANCE**5.7 SGX Corporate Governance Code - Guideline 8.4**

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

Remuneration paid during the FY 2019-20 to Working Directors are:-

Name of Director	Salary, Perquisites (Rs. in Lakhs)	Performance Bonus (Rs. in Lakhs)
Mr. Jayantilal Patel	101.69	325.00
Mr. Ashish Soparkar	101.87	325.00
Mr. Natwarlal Patel	101.89	325.00
Mr. Ramesh Patel	101.47	195.00
Mr. Anand Patel	101.32	130.00
Total	508.24	1300.00

5.8 SGX CORPORATE GOVERNANCE CODE - GUIDELINE 9.3

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

Remuneration Bands of more than S\$ 250,000

Name of Director	Directors Fees	Salary	Performance Bonus	Other benefits	Total
Mr. Jayantilal Patel	Nil	21%	76%	3%	100%
Mr. Ashish Soparkar	Nil	21%	76%	3%	100%
Mr. Natwarlal Patel	Nil	21%	76%	3%	100%
Mr. Ramesh Patel	Nil	30%	66%	4%	100%
Mr. Anand Patel	Nil	39%	56%	5%	100%

5.9 AGGREGATE REMUNERATION PAID TO KMP

SGX Corporate Governance Code - Guideline 9.3

The Details of the name and aggregate remuneration paid to Key Managerial Personnel (who are not Directors or the CEO) during the Financial Year ended 31 March 2020 is **S\$ 1,15,552 (Rs. 47.71 = S\$1)**

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

Name	Designation	Salary	Allowances	Other Benefits	Total
Mr. Kamalesh Navinchandra Mehta	President (Commercial)	45%	30%	25%	100%
Mr. Mohinder Paul Punia	Business Leader-Agro	45%	30%	25%	100%
Mr. Abhay Kumar Sharma	Vice President (Operations)	45%	30%	25%	100%
Mr. Deepak Vithoda Sawant	Head-Projects	45%	30%	25%	100%
Mr. Hamid Hasan Sayyad	General Manager (Corporate Safety)	45%	30%	25%	100%

CORPORATE GOVERNANCE

5.10 REMUNERATION TO IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR CEO –

Corporate Governance Guideline 9.4 – Code Of - Singapore Exchange-

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

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

6.1 TERMS OF REFERENCE:-

- i. To allot equity shares of the Company,
- ii. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- iii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc;
- iv. Issue of duplicate / split / consolidated share certificates;
- v. Allotment and listing of shares;
- vi. Review of cases for refusal of transfer / transmission of shares and debentures;
- vii. Reference to statutory and regulatory authorities regarding investor grievances;
- viii. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

6.2 COMPOSITION OF SGS COMMITTEE:-

The Shareholders'/Investors' Grievances, Share Allotment, Share Transfer and Stake holder Relationship Committee comprises of two Independent Non-Executive Directors and one Executive Director.

Mr. Manubhai Patel is the Chairman of the Committee. Mr. K. D. Mehta Company Secretary acts as Company Secretary & Compliance officer of the Committee.

6.3 MEETINGS AND ATTENDANCE DURING THE YEAR:-

The Shareholders' / Investors' Grievances, Share Allotment Share Transfer and Stake Holder Relationship Committee were held on 24.05.2019, 09.08.2019, 09.11.2019 and 29.01.2020.

Name of the Director	Status	No. of Meetings
Mr. Balkrishna Thakkar*	Chairman - Independent Director	1
Mr. Manubhai Patel#	Member - Independent Director	4
Mr. Ashish Soparkar	Member – Executive Director	4
Ms. Urvashi Shah**	Member - Independent Director	2

* Ceased to be a member on expiry of term on 25th July, 2019

** Appointed as a member on 09th August, 2019.

Appointed as Chairman on 09th August, 2019.

6.4 DETAILS OF SHAREHOLDERS' COMPLAINTS :-

Detail of Complaints received	Nos.
Number of Complaints received from Shareholders' 01.04.2019 to 31.03.2020	0
Number of Complaints not solved to the satisfaction of shareholder	0
Number of Pending Complaints on 31.03.2020	0

CORPORATE GOVERNANCE**7 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

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

- 1) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- 2) To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The Compositions of the CSR Committee as on 31st March, 2020 are as under:

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

During the year the Company has spent **Rs. 134.01 Lakhs** towards CSR activities.

8 GENERAL BODY MEETINGS :-

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

Financial Year	Category - Date & Time	Venue	Special – Resolutions passed
2016-17	Annual General Meeting 27 July, 2017 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Reclassification of Promoter and Promoter Group.
2017-18	Annual General Meeting 27 July, 2018 at 10.00 a.m.	J B Auditorium Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Appointment of Mr. Manubhai Patel as Independent Director. 2. Appointment of Mr. Bhaskar Rao as Independent Director. 3. Appointment of Mr. C S Liew as Independent Director. 4. Authority for Related Party transactions.
2018-19	Annual General Meeting 25 July, 2019 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Re-Appointment of Mr. Jayantilal Patel as Executive Chairman for 5 years 2. Re-Appointment of Mr. Ashish Soparkar as Managing Director for 5 years 3. Re-Appointment of Mr. Natwarlal Patel as Managing Director for 5 years 4. Re-Appointment of Mr. Ramesh Patel as Executive Director for 5 years 5. Re-Appointment of Mr. Anand Patel as Executive Director for 5 years

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

CORPORATE GOVERNANCE

9 OTHER DISCLOSURES :-

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

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

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements in this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website.

9.2 Vigil Mechanism / Whistle Blower Policy :-

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

9.3 Prevention of Sexual Harassment of women at workplace :-

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. Status of complaints during 2019-20 is as under:

Filed during 2019-20	Nil
Disposed of during 2019-20	Nil
Pending as at the end of 2019-20	Nil

9.4 Accounting Treatment:-

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

9.5 Corporate Governance of Subsidiaries :-

Meghmani Finechem Limited (MFL) is the material subsidiary of the Company and needs to have on its Board one Director of Meghmani Organics Limited (MOL) who is independent. **Mr. Manubhai Patel**, Independent Directors is on the Board of MFL. The Subsidiaries of the Company are managed by experienced Board of Directors.

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

9.6 Certificate on Corporate Governance:-

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

9.7 Shareholder's Information:-

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

CORPORATE GOVERNANCE**9.8 Code of Conduct :-**

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

9.9 Management Discussion and Analysis Report :-

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

9.10 Insider Trading :-

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

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

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

9.11 Disclosures regarding Re-appointment of Directors

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation every year and if eligible, they offer themselves for re-election by the shareholders at the General Meeting. There is no Alternate Director being appointed to the Board.

9.12 Transfer of shares to Investor Education and Protection Fund (IEPF) :-

Pursuant to provision of Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred **130572** Equity Shares to IEPF Suspense account, who has not claimed dividend for seven consecutive years.

9.13 Immediate Family Member of Director:-

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

9.14 Appointment & Removal of Company Secretary:-

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

9.15 Reminders to Unpaid Dividend:-

Reminders for Unpaid dividend are sent to the shareholders every year. The Company Could not send reminder this year due to Covid-19

9.16 Outstanding Singapore Depository Receipt Shares:-

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

25,698,680 SDSs each of **Rs. 0.50 paise** representing **12,849,340 Equity Shares** of Rs. 1/- each is outstanding as on 31st March, 2020. The conversion of SDSs in to Equity shares will not have any impact on paid up capital or cash position of the Company.

CORPORATE GOVERNANCE

9.17 No Suspension of Securities :-

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

9.18 Particulars of interested person transactions under Rule 920 of Singapore Listing Manual for the year ended 31 March, 2020 are as under:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 (equivalent to approximately Rs. 5,148,000) and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) (excluding transactions less than S\$100,000 (equivalent to approximately Rs. 5,148,000)	
	Amount in Rs.	Amount in S\$,000	Amount in Rs.	Amount in S\$,000
Meghmani Dyes & Intermediates LLP	1,33,73,031	2305	-	-
Meghmani Pigments	18,09,96,816	3502	-	-
Ashish Chemicals (EOU)	91,80,400	178	-	-
Meghmani LLP	7,68,08,280	1486	-	-
Total	28,03,58,527	7471	-	-

Note: Rs. 51.48= S\$1 (Average Rate of Financial Year 2019-2020)

The above interested person transactions conducted fall within the related party transactions shareholders' mandate obtained for a period of three year at the **Annual General Meeting** held on **16 July 2018**.

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

10 MEANS OF COMMUNICATION:-

10.1 QUARTERLY RESULTS:-

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

The aforesaid financial statements reviewed by the Audit Committee are taken on record by the Board of Directors and are communicated to the Indian and Singapore Stock Exchanges where the Company's securities are listed. Once the Stock Exchanges have been intimated, these results are given by way of a press release to news agency and published within 48 hours in two leading daily news papers – one in English and one in Gujarati.

10.2 ANNOUNCEMENT OF FINANCIAL RESULT:-

As per the extension granted by SEBI due to Covid 19 outbreak, the Audited Annual Financial Results were announced on **15th June, 2020**. 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

CORPORATE GOVERNANCE

10.3 WEBSITE DISPLAY:-

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

10.4 GREEN INITIATIVE FOR PAPERLESS COMMUNICATIONS:-

To support the "Green Initiative in the Corporate Governance", an initiative has been taken by the Ministry of Corporate Affairs (MCA). The Company has sent the soft copies of **Annual Report 2019-20** to those members whose Email IDs were registered with the Depository Participants (DP) after informing them suitably.

11 GENERAL SHAREHOLDER INFORMATION :-

I. Annual General Meeting :-

Date	Friday 11th September, 2020
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, hence there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM
Time	12.30 Noon
Last date of receipt of Proxy	Not Applicable
Posting of Annual Report	on or before 18th August, 2020.

II. Financial Year :-

The financial year of the Company is from 01 April to 31 March. The Board Meetings for approval of Quarterly financial results during the year ended 31 March, 2020 were held on the following dates:-

Financial Calendar 2019-20:-

First Quarter Results	09 th August, 2019
Second Quarter and Half yearly results	09 th November, 2019
Third Quarter Results	29 th January, 2020
Fourth Quarter & Annual Results*	08 th June, 2020

***Extension granted by SEBI due to pandemic Coronavirus effect**

Financial Calendar 2020-21:-

First Quarter Results - 30.06.2020	Within 45 days from the close of quarter
Second Quarter Result - 30.09.2020	Within 45 days from the close of quarter
Third Quarter Results - 31.12.2020	Within 45 days from the close of quarter
Fourth Quarter - 31.03.2021	Within 60 days from the close of quarter

Date of Book Closure:-

Book Closure	04th September, 2020 to 11th September, 2020
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CORPORATE GOVERNANCE

III. Dividend payment :-

The Board of Directors at their meeting held on **03rd March, 2020** had declared and paid interim dividend of **Rs. 1.00** per Equity shares of the face value of Rs. 1/- each for the financial year **2019-2020**. The Interim Dividend paid be considered as final dividend, for the financial year **2019-20**.

The information of unclaimed dividend is as under:-

Particulars	Dividend %	31/03/2020 Rs	Payment Date	Transfer due date
Unpaid Dividend - 2013	10%	209732.20	07.08.2013	06.08.2020
Unpaid Dividend - 2014	10%	197265.40	11.08.2014	10.08.2021
Unpaid Dividend - 2015	40%	617659.20	27.02.2015	26.02.2022
Unpaid Dividend – 2016	30%	629555.13	23.03.2016	22.02.2023
Unpaid Dividend – 2017	40%	563949.50	07.08.2017	06.08.2024
Unpaid Dividend – 2018	40%	645159.09	11.08.2018	10.08.2025
Unpaid Dividend – 2019 (Interim)	60%	698509.00	25.03.2019	24.03.2026
Unpaid dividend – 2019 (Final)	40%	648961.20	05.08.2019	04.08.2026
Unpaid dividend – 2020 (Interim)	100%	416182.00	20.03.2020	19.03.2027
Total		4626972.72		

IV. Stock Code :-

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

V. Share Market Price data:-

The Monthly High and Low prices and volumes of Meghmani Organics Limited (MOL) share at National Stock Exchange of (India) Limited (NSE) and BSE Limited for the year ended on 31 March, 2020 are as under :-

National Stock Exchange of India Limited: - 31.03.2020

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (Rs.)
Apr-19	61.70	69.35	59.50	66.15	26181107	1689427770
May-19	66.40	73.15	58.65	67.95	18272900	1212178941
Jun-19	68.00	68.70	60.20	64.05	9689457	628794873
Jul-19	64.15	66.50	47.35	49.75	10226395	598074037
Aug-19	49.07	51.90	40.07	45.55	8426519	397637273
Sep-19	44.90	62.90	43.35	52.85	14938048	843547700
Oct-19	53.00	54.20	47.35	52.25	9732405	498642695
Nov-19	51.75	59.50	51.55	52.95	15784546	879403646
Dec-19	53.30	61.15	47.00	57.15	17600606	969417839
Jan-20	57.45	67.40	54.05	55.05	34982009	2147949185
Feb-20	55.00	61.75	51.20	51.75	19115936	1102359996
Mar-20	52.30	53.85	32.05	37.05	12586435	534431216

CORPORATE GOVERNANCE

BSE Limited: - 31.03.2020

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (Rs.)
Apr-19	61.75	69.25	59.55	66.05	4668674	301214908
May-19	66.50	73.00	58.75	67.90	3064927	203026674
Jun-19	67.00	68.60	60.30	64.05	1665227	108006696
Jul-19	64.15	66.50	47.40	49.75	2302918	135053233
Aug-19	48.90	51.85	40.60	45.50	1638814	77661017
Sep-19	44.55	62.80	43.10	52.85	2091559	117341577
Oct-19	52.50	54.10	47.10	52.25	1151459	59069094
Nov-19	52.00	59.90	51.55	52.95	2088798	115545962
Dec-19	53.00	61.20	47.10	57.05	2495345	136306479
Jan-20	57.50	67.30	54.50	55.10	3693387	226127991
Feb-20	54.80	61.70	51.30	51.80	2645944	151457173
Mar-20	52.00	53.65	31.80	37.15	1944388	84188394

VI. Listing details of Equity shares:-

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

The listing fee for financial year 2020-21 has been paid to Stock Exchanges.

VII. Share Transfer System :-

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

CORPORATE GOVERNANCE

VIII. Shareholding Pattern - 31.03.2020:-

Category	Total shares	%
Clearing Members	460074	0.18
Other Bodies Corporate	14126132	5.55
Foreign Company	303500	0.12
Financial Institutions	355207	0.14
Global Depository Receipts	12849340	5.05
Hindu Undivided Family	6198942	2.44
Mutual Funds	1761	0.00
Non Nationalized Banks	263	0.00
Non Resident Indians	6589187	2.59
Non Resident (Non Repatriable)	841559	0.33
Public	83851236	32.98
Promoters	96672903	38.01
Relatives Of Director	27155207	10.68
Insurance Companies	49000	0.02
Foreign Portfolio Investors (Corporate)	4728647	1.86
NBFCs registered with RBI	681	0.00
Investor Education And Protection Fund	130572	0.05
Total	254314211	100.00

IX. Dematerialization of Shares: 31.03.2020:-

Share Capital	No. of shares	%
Listed Capital	254314211	100.00
Held in Dematerialized form :-		
National Securities Depository Limited (NSDL)	205713507	80.89
Central Depository Services (India) Limited (CDSL)	48500543	19.07
Held in Physical Form	100161	0.04
Total	254314211	100.00

X. Distribution of Shareholding: 31.03.2020:-

Category	Shareholders		Total Shares of Rs. 1/- each	
	Number	Percent	Number	Percent
1-500	85998	78.25	14802241	5.82
501-1000	11607	10.55	9646403	3.80
1001-2000	5942	5.41	9242056	3.63
2001-3000	2097	1.91	5432820	2.14
3001- 4000	980	0.89	3575713	1.41
4001- 5000	881	0.80	4202976	1.65
5001-10000	1259	1.15	9345106	3.67
10001- & ABOVE	1142	1.04	198066896	77.88
Total	109906	100	254314211	100

CORPORATE GOVERNANCE**Twenty Largest Singapore Depository Shares ("SDS") Holders (As per Singapore rules):-**

S.N.	NAME OF SDS HOLDER	NO. OF SDS	%
1	WATERWORTH PTE LTD	95,00,000	36.97
2	TEO CHIANG SONG	12,00,000	4.67
3	WU CHUNG SHOU	9,10,000	3.54
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,21,000	3.19
5	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	8,00,000	3.11
6	SEE BENG LIAN JANICE	8,00,000	3.11
7	ANG LAY TENG OR TAN CHOON HUI	7,44,000	2.90
8	CITIBANK NOMINEES SINGAPORE PTE LTD	7,28,400	2.83
9	CHAN SIEW LIAN ANGELINE	6,14,000	2.39
10	PHILLIP SECURITIES PTE LTD	5,98,100	2.33
11	SOH DOLLY	4,41,000	1.72
12	WONG TZE CHYUAN	4,35,000	1.69
13	VANITA VASHDEV DADLANI @ KRIPALANI VANITA GULAB	2,33,000	0.91
14	DBS NOMINEES PTE LTD	2,16,200	0.84
15	CHONG MUI KHIM	2,13,700	0.83
16	UOB KAY HIAN PTE LTD	2,08,000	0.81
17	CHUA BENG CHENG	2,00,000	0.78
18	ONG YONG HWEE	2,00,000	0.78
19	TAN HAK YONG	1,60,000	0.62
20	RAFFLES NOMINEES (PTE) LIMITED	1,53,200	0.60
Total		1,91,75,600	74.52

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

Size of SDS	SDS Shareholders		No. of SDS of Re. 0.50/- each	
	Number	Percent	Number	Percent
1 - 99	4	1.27	78	0.00
100 - 1,000	37	11.71	29,904	0.11
1,001 - 10,000	122	38.61	8,32,000	3.24
10,001 - 1,000,000	151	47.78	1,41,36,698	55.01
1,000,001 AND ABOVE	2	0.63	1,07,00,000	41.64
TOTAL	316	100.00	2,56,98,680	100.00

I. SGX CORPORATE GOVERNANCE RULE 1015(5) – SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Name of the Substantial SDS Holder	No. of SDS	%	Interest Held
Director's Interest	Nil	Nil	-
Water Worth Pte. Limited	9500000	36.97	Direct

SDSs held by the public are **63.03%**. The Company has not issued any Treasury Shares. No subsidiary of the Company is holding any Singapore Depository Shares.

CORPORATE GOVERNANCE

II. Outstanding Singapore Depository Receipts :

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

As on **31st March, 2020** the number of SDS outstanding are **25,698,680** which represents **12,849,340** Equity Shares.

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

III. SGX Rule 1204 (19) – TRADING WINDOW CLOSED

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

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

IV. SGX Rule 730 A (1) – HOLDING OF INFORMATION MEETING

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

V. REGISTRAR AND SHARE TRANSFER AGENT IN INDIA:-

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

Link Intime India Private Limited

C 101, 247 Park,

L. B. S. Marg, Vikhroli (West), Mumbai - 400083.

Tel: +91 22 4918 6270, Fax: +91 22 4918 6060

VI. LOCATION OF MANUFACTURING FACILITY:-

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

VII. INVESTOR CORRESPONDENCE :-

All enquiries, clarification and correspondence should be addressed to

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

Meghmani House, B/h Safal Profitaire,

Corporate Road, Prahaladnagar,

Ahmedabad 380 015

Telephone No. 91-79-2970 9600/ 7176 1000

Fax No. 91-79-2970 9605, E-mail : helpdesk@meghmani.com

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS :

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2020.

Date: 15th June, 2020
Place: Ahmedabad

For Meghmani Organics Limited
Ashish Soparkar
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Meghmani Organics Limited

We have examined the compliance of conditions of Corporate Governance by **Meghmani Organics Limited**, for the year ended on **31st March 2020**, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges. It is further stated that **we have also relied up on the scanned documents and other papers in digital/ electronic mode submitted to us by the official of the Company in COVID-19 pandemic.**

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

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

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

Place: AHMEDABAD
Date: 15th June, 2020

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

Meghmani Organics Limited

Plot No. 184, Phase II,

GIDC Vatva, Ahmedabad - 382 445.

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal **www.mca.gov.in** as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that **none of the Directors on the Board of the Company** as stated below for the Financial Year ending on 31st March, 2020 **have been debarred or disqualified from being appointed or continuing as Directors of companies** by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	MR. JAYANTILAL MEGHJIBHAI PATEL	00027224	02/01/1995
2	MR. ASHISHBHAI NATAWARLAL SOPARKAR	00027480	02/01/1995
3	MR. NATWARLAL MEGHJIBHAI PATEL	00027540	02/01/1995
4	MR. ANANDBHAI ISHWARBHAI PATEL	00027836	02/10/1995
5	MR. RAMESHBHAI MEGHJIBHAI PATEL	00027637	01/04/2009
6	MS. URVASHI DHIRUBHAI SHAH	07007362	27/03/2015
7	MR. MANUBHAI KHODIDAS PATEL	00132045	10/02/2018
8	MR. PALAKODETI VENKATRAMANA BHASKAR RAO	08058946	10/02/2018
9	MR. CHING SENG LIEW	08065615	10/02/2018
10	DR. GANAPATHI DADASAHEB YADAV (Additional Director)	02235661	09/08/2019

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

Place: Ahmedabad

Date: 15th June, 2020

For, SHAHS & ASSOCIATES

Company Secretaries

Kaushik Shah

Partner

FCS No 2420 CP No 1414

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

To,
The Board of Directors
Meghmani Organics Limited
Ahmedabad

Dear Sir/Madam,

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

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

- A) We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended **March 31, 2020** and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) We have indicated to the auditors and the Audit Committee :
- i) Significant changes in internal control, if any, over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting wherever needed.

Place: Ahmedabad
Date: 15th June, 2020

For, MEGHMANI ORGANICS LIMITED
ANKIT N. PATEL G. S. CHAHAL
CEO CFO

Business Responsibility Report (BRR)

Securities and Exchange Board of India (SEBI) has mandated the requirement of submission of Business Responsibility Report (BRR) for the Top1000 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Meghmani is pleased to present its First BRR for 2019-20 based on the suggested framework provided by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) : **L24110GJ1995PLC024052**
2. Name of the Company : **Meghmani Organics Limited**
3. Registered office address : **Plot No. 184, Phase II, GIDC Vatva,
Ahmedabad- 382 445,
Phone No 91-79-25831210.**
4. Website : **www.meghmani.com**
5. E-mail id : **helpdesk@meghmani.com**
6. Financial Year reported: : **FY 2019-20.**
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-class	Description
201	2011	20114	Manufacture of Pigments from any source in basic form or as concentrate.
202	2021	20211	Manufacture of Insecticides, Rodenticides, Fungicides, Herbicides.

As per National Industrial Classification – 2008 (NIC-2008)

8. List three key products/services that the Company manufactures / provides (as in balance sheet)
Manufacturer of Pigments and Agro Chemicals (Technical, Intermediates & Formulations)
9. Total number of locations where business activity is undertaken by the Company
(a) Number of International Locations : **3 (Three) Subsidiaries**
(b) Number of National Locations : **7 (Seven)**
10. Markets served by the Company –
The Company's products have both National and International Market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): **Rs. 25.43 Crore**
2. Total Turnover (INR): **Rs. 1588.99 Crore**
3. Total Profit after taxes (INR): **Rs. 192.91 Crore**
4. Total Spending on Corporate Social Responsibility (CSR) as % of Profit After Tax (%): **0.69%**
5. List of activities in which expenditure in 4 above has been incurred:-

Business Responsibility Report (BRR)

- a) Promote special education and employment enhancing vocation skills education, training and livelihood enhancement projects.
- b) Promote and Develop infrastructure for health care including preventive health care facilities.
- c) Promote environment protection and sustainability activities.
- d) Disaster management, relief and rehabilitation and girls and women empowerment and development programme.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has following 5 subsidiaries Companies as on March 31, 2020.

Meghmani Finechem Limited
Meghamni Organics USA INC
P T Meghmani Organics Indonesia
Meghmani Organochem Limited
Meghmani Overseas FZE

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Business Responsibility initiatives of the parent company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies

No.	Name of Director	DIN	Designation
1.	Mr. Jayantilal Patel	00027224	Executive Chairman
2.	Mr. Ashish Soparkar	00027480	Managing Director

- (b) Details of the BR head:-

No.	Particulars	Details
1.	Name	Mr. Ashish Soparkar
2.	DIN Number applicable)	00027480
3.	Designation	Managing Director
4.	Telephone number	91-79-25831210.
5.	e-mail id	helpdesk@meghmani.com

Business Responsibility Report (BRR)

2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1 (P-1)	Businesses Ethics, Transparency and Accountability
Principle 2 (P-2)	Sustainability of Products & Life-cycle
Principle 3 (P-3)	Promote the Employee Well-being
Principle 4 (P-4)	Respect the Stakeholder Engagement
Principle 5 (P-5)	Promote Human Rights
Principle 6 (P-6)	Protect and make efforts to restore the Environment
Principle 7 (P-7)	Responsible Policy Advocacy
Principle 8 (P-8)	Supporting Inclusive Growth and Equitable Development
Principle 9 (P-9)	Value to Customers and Consumers in a responsible manner

Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for the nine principles of BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Have the policies been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All applicable national and international laws and policies are complied.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD /owner / CEO/ appropriate Board Director?	The policies are approved by the Board /Competent Authority who is attending matters.								
5	Does the company have a specified committee of these policies and Codes. of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has set-up various Committees of the Board of Directors or of Senior Executives to oversee implementation of these policies and Codes.								
6	Indicate the link for the policy to be viewed online?	The policies are not yet made available online.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been communicated to many relevant internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Company's Vigil Mechanism / Whistle Blower Policy is tool of grievance redressal mechanism.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report (BRR)

2a. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)-

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. **Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CEO periodically assesses the BR performance of the Company.

- (b) Does the Company publish a BRR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has not published BRR or a Sustainability Report earlier. In line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG), it is published first time in this Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has adopted a Code of Conduct for its Directors and Senior Management. Additionally, the Policy on Code of Conduct for Employees applies to all employees of the Companies. These do not extend to other entities.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints pertaining to the above Codes were received in the past financial year.

Principle 2: Sustainability of Products & Life-cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is in the business of , agrochemicals and pigment. These two are the back bone of chemical industries. Environment concerns have been incorporated in the design and business by adopting the environmental impact assessment during construction and operational stage.

The Company has developed Environment Management System (EMS) with the built in mechanism for identification of potential norm conformations and opportunities for the improvements. Emission from all the operation is monitored and controlled as per the design and Environmental Guidelines of the CPCB/ SPCB

The key motto of the Company is "SAFETY FIRST" for workers and employees in all our operations. To implement the motto the Company arranging timely Fire, Security and safety mock drills, awareness programs covering Safety, Health care, Environment protection and Emergency Preparedness etc. The Company implemented harmonized safety and healthcare standards at all the workplaces. To create awareness the Company has composed "SAFETY THEME SONG".

Business Responsibility Report (BRR)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
The Company has developed EMS with inbuilt mechanism of systems and is periodically monitored and reviewed for its continual improvement and resource reduction. The Company operated with the philosophy of Reuse and Recycle to the maximum extent of inputs to get maximum outputs.
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
The consumption of energy and water is periodically monitored and regulated through the Environment Audit Scheme. The specific consumption of the resource is reduced using the capacity enhancement and technology up-gradation in our processes from time to time.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
To promote sustainable sourcing, the Company has built the sustainability concern into its processes for Vendor Development and Procurement Management. Starting from the vendor on boarding process, applicant vendors are evaluated based on comprehensive criteria that include vendor's capability and performance on environmental, occupational health.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
Major raw material and service providers are indigenous. Major raw materials are procured from nearby producers which assure timely supply of raw material at the optimized cost as well as support the local economy.
Most of the employee base is Indian and most of the service provider's workers, professionals and technical consultants are local which helps to increase local employment and bust up local economic growth.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
The Company ensures the 95% recovery of the solvents from the processes. The usage of all the raw materials and intermediates are optimized to enhance the productivity periodically and is periodically reviewed

Principle 3 Promote the Employee Well-being

The Company works continues to provide workplaces free of any discrimination and harassment on the basis of gender, caste or religion. All employees deserve mutual respect and integrity.

1. Please indicate the Total number of employees: **1678**
2. Please indicate the Total number of employees hired on temporary /contractual / casual basis: **No Employee hired on temporary /contractual / casual basis**
3. Please indicate the Number of permanent women employees: **15**
4. Please indicate the Number of permanent employees with disabilities: **NIL**
5. Do you have an employee association that is recognized by management: **NO**
6. What percentage of your permanent employees is members of this recognized employee association? **Not Applicable**

Business Responsibility Report (BRR)

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

There were no complaints of this nature during the financial year.

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
- Employee training and skills development is a focus area of the Company's human resource strategy. The Company's training programs extend to all employees, which are rolled out as per the annual training calendar and individual employee training needs. All employees are given mandatory safety training on induction as well as on the job skills related training.**

Principle 4: Respect the Stakeholder Engagement

1. Has the company mapped its internal and external stakeholders? Yes/No.
Yes the company has mapped its internal and external stakeholders
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
The Company has identified poor, tribal, women and children as the disadvantaged, marginalised and vulnerable stakeholders.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.
Yes, the Company has taken initiatives to engage with its vulnerable and marginalized stakeholders through its Corporate Social Responsibility projects.
The Company focuses on key development parameters, which are;
1. Primary education, empowerment and skill development and;
3. Health care development

Principle 5: Promote Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
Yes, the human rights policy is applicable to the employee and contractors associated with the Company. The Company prohibits indulgence of business and the value chain with any kind of child labor in any of its operation supported and complied by Child Labor (Prohibition and Regulation) Act, 1996. The Company is committed to fair employment practices and freedom of expression.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
No, stakeholder complaints were received during the last financial year

Principle 6 : Protect and make efforts to restore the Environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
Yes, The policy extends to the Group, Joint Ventures, Suppliers, Contractors, NGOs and others.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
The Company has installed wind mills for the partial power requirement for our manufacturing sites, provided energy efficient equipment and light fittings to mitigate global warming.

Business Responsibility Report (BRR)

3. Does the company identify and assess potential environmental risks? Y/N
Yes, all the sites have undergone the risk assessment studies and hazop studies, and the outcome is implemented to minimize and mitigate the environmental risk.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
The Company had provided phenol recovery system from the effluent at 2,4 D plant (Herbiscide). The projects were reported under the Environment Assistance Scheme under the Industrial Policy.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
Yes, the Company has taken various initiatives to make its processes clean and energy efficient; the details are as below;
 - **Recycle of steam condensate;**
 - **Installed water recycling system (RO) & water recycled in to process;**
 - **MDC residue (Spent Solvent) sold to recyclers / end users;**
 - **Use of energy efficient led lighting system across MOL sites;**
 - **Recovery of products from waste streams.**
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
The Company always monitors its waste generation limits; this helps the Company to ensure that generated waste is within the limits specified by CPCB / SPCB.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
NIL

Principle 7 : Responsible Policy Advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - (a) **Gujarat Chamber of Commerce and Industry**
 - (b) **Vatva Industrial Association**
 - (c) **Panoli Industrial Association**
 - (d) **Crop Care Federation of India**
 - (e) **Ankleshwar Industrial Association**
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
Yes, through membership in the above industry bodies, the Company has advocated on the key issues of industries such as water, drainage and effluent treatment channel.

Principle 8 : Supporting Inclusive Growth and Equitable Development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
The Company has formulated and implemented a Corporate Social Responsibility Policy (CSR). The CSR activities are monitored by Board appointed CSR committee.

Business Responsibility Report (BRR)

The key focus areas of the CSR programs are promotion of education, preventive healthcare, skill enhancement, Environment protection and other areas as defined in Schedule VII of the Companies Act 2013.

2. Are the programmes /projects undertaken through in-house team/ own foundation /external NGO /government structures/any other organization?

The programmes / projects are undertaken through in-house team/other organisation.

3. Have you done any impact assessment of your initiative?

Yes, regular assessment is carried out by the Company to evaluate its CSR programmes.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has contributed Rs. 134.01 Lakhs in Financial Year 2019-20. The details of CSR contribution and Social Responsibility Activates are mentioned on page No 37 of Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Community participation is encouraged at various stages of our CSR initiatives.

Principle 9 :- Value to Customers and Consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No customer complaints/cases are pending on close of financial year 2019-20.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

The Company product labels display all information that is essential to ensure safe and efficacious use of our products. Product labels are compliant with all CIB regulations and legal metrology guidelines applicable time to time for retail and bulk packages. Labeling of products include "Direction for Use (DFU) to enable our customers to utilize our products in ways that generate utmost value for their enterprises including safety standards.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases of unfair trade practices, irresponsible advertising and/or anti-competitive behavior filed during the last five years or pending as on end of financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No consumer survey/ consumer satisfaction trends are carried out by the Company. But the Company has adopted a process through which regular feedback is being taken from our customers / stakeholders and an immediate action is taken on any issues

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Organics Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Meghmani Organics Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Standalone Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 48 of the standalone Ind AS financial statements, as regards the management's evaluation of COVID-19 impact on the operation and assets of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2 of the standalone Ind AS financial statements)	
The Company majorly operates in two segments viz: Agro chemicals and Pigment. Export sales contributes approximately 77% of total sales of the Company. The Company recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received in the ordinary course of the Company's activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing of transfer of control and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: ● Read and evaluated the Company's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. ● Assessed the design and tested the operating effectiveness of internal controls related to sales including variable consideration. ● Performed sample tests of individual sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection to assess revenue recognition as per the terms of the contract with customers. ● Performed tests of samples of transactions near year end date as well as credit notes issued after the year end date. ● Read and assessed the relevant disclosures made within the Standalone Ind AS financial statements.

Information other than the Standalone Ind AS financial statements and Auditor's report thereon:

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Partner

Membership Number: 101974

UDIN: 20101974AAAABB1177

Place of Signature: Ahmedabad

Date: June 15, 2020

Annexure 1

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Organics Limited for the year ended March 31, 2020.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year. However, there is a regular programme of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification have been appropriately dealt with in the books of accounts.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. The inventory (except goods in transit) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Act in respect of investments made have been complied with by the Company. Further, in our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of agrochemicals and pigment products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues are generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, duty of excise, duty of customs, goods and service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Annexure 1**Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Organics Limited for the year ended March 31, 2020.**

Name of statute	Nature of dues	Amount involved (INR lakhs)	Period	Forum where the dispute is pending
Central Excise Act	Excise duty demand	1,721.87	2003-04 to 2008-09 and 2011-12 to 2016-17	Gujarat Highcourt, Central Excise and Service Tax Appellate Tribunal, Commissioner (Appeals)
Income tax Act, 1961	Income tax demands	1,192.84	2002-03, 2008-09, 2012-13 to 2016-17	Gujarat High Court, Income tax Appellate Tribunal, Commissioner Appeals, Income tax

*Net of amount paid under protest amounting to INR 172.47 lakhs and adjustment of the amount of Income tax refunds pertaining to other assessment years amounting to INR 165.00 lakhs.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings from banks. The Company did not have any due payable to the financial institutions, debenture holders and government during the year.
- ix. According to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised money by way of initial public offer, further public offer and debt instrument during the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management on certain transactions entered with related parties being of specialized nature, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAABB1177

Place of Signature: Ahmedabad

Date: June 15, 2020

Annexure 2**To the Independent Auditor's report of even date on the Standalone Ind AS financial statements of Meghmani Organics Limited****Report on the Internal Financial Controls under Clause (i)
of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Meghmani Organics Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls System Over Financial Reporting with reference to these Standalone Ind AS financial statements

A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure 2
to the Independent Auditor's report of even date on the Standalone Ind AS financial statements
of Meghmani Organics Limited

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAABB1177

Place of Signature: Ahmedabad

Date: June 15, 2020

BALANCE SHEET AS AT 31ST MARCH 2020

PARTICULARS	Notes	(Rs. in Lakhs)	
		31 st March 2020	31 st March 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	46,460.35	42,779.19
(b) Capital Work-in-Progress	3.2	9,637.37	4,442.48
(c) Other Intangible Assets	3.3	1,591.05	1,152.05
(d) Intangible Assets under development	3.2	438.90	491.27
(e) Investments in Subsidiaries	4	18,251.55	18,246.55
(f) Financial Assets			
(i) Investments	5	57.21	57.41
(ii) Other Financial Assets	6	1,066.48	559.70
(g) Income Tax Assets (Net)	7	663.30	681.89
(h) Other Non-Current Assets	8	1,493.09	1,133.29
Total Non-Current Assets		79,659.30	69,543.83
Current Assets			
(a) Inventories	9	29,654.33	36,360.80
(b) Financial Assets			
(i) Trade Receivables	10	46,379.02	35,412.38
(ii) Cash and Cash Equivalents	11	764.39	177.16
(iii) Bank Balances other than (ii) above	12	63.35	136.25
(iv) Loans	13	39.64	22.99
(v) Other Financial Assets	14	3,579.22	4,069.29
(c) Income Tax Assets (Net)	7	-	278.85
(d) Other Current Assets	15	4,227.45	4,356.21
Total Current Assets		84,707.40	80,813.93
TOTAL ASSETS		1,64,366.70	1,50,357.76
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	2,543.14	2,543.14
(b) Other Equity	17	96,537.43	81,253.44
Total Equity		99,080.57	83,796.58
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	5,558.30	8,527.45
(ii) Other Financial Liabilities	19	597.99	-
(b) Provisions	20	1,147.07	648.68
(c) Deferred Tax Liabilities (Net)	21	2,781.11	4,088.78
Total Non-Current Liabilities		10,084.47	13,264.91
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	16,725.93	19,957.32
(ii) Trade Payables	23		
Total outstanding dues of micro and small enterprise		1,784.41	888.16
Total outstanding dues of creditors other than micro and small enterprise		21,682.82	21,401.66
(iii) Other Financial Liabilities	24	9,663.95	8,159.38
(b) Other Current Liabilities	25	3,554.85	918.66
(c) Provisions	26	9.63	591.22
(d) Current Tax Liabilities (Net)	27	1,780.07	1,379.87
Total Current Liabilities		55,201.66	53,296.27
Total Liabilities		65,286.13	66,561.18
TOTAL EQUITY AND LIABILITIES		1,64,366.70	1,50,357.76
Summary of Significant Accounting Policies	2		

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

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta **G S Chahal**
Partner **Chief Financial Officer**
Membership No : 101974
Place : Ahmedabad **K. D. Mehta**
Date : 15th June 2020 **Company Secretary**

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)
J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 15th June 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	Notes	(Rs. in Lakhs)	
		For the year ended 31 st March 2020	For the year ended 31 st March 2019
I - Revenue From Operations	28	1,62,465.32	1,41,042.00
II - Other Income	29	7,811.60	3,882.19
III - Total Income (I+II)		1,70,276.92	1,44,924.19
IV - Expenses			
Cost of Materials Consumed	30	88,478.83	87,954.61
Purchase of Stock-in-Trade		4,674.50	4,162.57
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	7,514.93	(11,040.20)
Employee Benefits Expense	32	8,278.98	7,267.93
Finance Costs 33		3,142.26	4,589.20
Depreciation and Amortization Expenses	3	4,752.06	4,629.04
Other Expenses	34	29,890.09	29,470.43
Total Expenses (IV)		1,46,731.65	1,27,033.58
V - Profit Before Exceptional items and Tax (III-IV)		23,545.27	17,890.61
VI - Exceptional Items	35	-	(4,328.51)
VII - Profit Before Tax (V-VI)		23,545.27	22,219.12
VIII - Tax Expense	21		
1 - Current Tax		5,760.00	5,390.00
2 - Adjustment of Tax Relating to Earlier Years		(273.02)	(73.79)
3 - Deferred Tax Charge / (Credit) (Net)		(1,233.29)	33.84
Total Tax Expenses (VIII)		4,253.69	5,350.05
IX. Profit For The Year (VII-VIII)		19,291.58	16,869.07
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss in Subsequent Periods			
Remeasurement gain / (loss) on defined benefit plans	36	(295.53)	(138.46)
Income tax effect on above		74.38	48.38
Total other comprehensive income / (loss) for the year, net of tax (X)		(221.15)	(90.08)
XI. Total Comprehensive Income For The Year (IX + X)		19,070.43	16,778.99
XII. Earnings Per Equity Share (Face Value Per Share - Re 1 Each, 31st March 2019 : Re 1 Each) (In Rs.)	37		
Basic and Diluted		7.59	6.63
Summary of Significant Accounting Policies	2		

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

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

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 15th June 2020

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

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

Place : Ahmedabad
Date : 15th June 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
A. Cash Flow from Operating Activities		
Profit Before Tax	23,545.27	22,219.12
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and Amortisation Expenses	4,752.06	4,629.04
Unrealised Foreign Exchange (Gain) / Loss (Net)	(2,761.20)	1,179.86
Mark to Market Loss on Derivative (Gain) / Loss (Net)	-	(17.38)
Liability no longer Required written back	(21.30)	(225.14)
Finance Cost	3,142.26	4,589.20
Dividend Income	(2,460.72)	(1,535.56)
Interest Income	(573.29)	(293.66)
Bad Debts Written off	58.61	504.75
Provision for Doubtful Debt	771.97	393.19
Exceptional Item - Loss Due to Fire	-	1,476.78
Sundry Balance Written off	(16.59)	25.70
Profit on Sale of Investment	(145.87)	(5,915.29)
Loss on Sale of Property, Plant & Equipment (Net)	140.23	378.54
Operating Profit Before Working Capital Changes	26,431.43	27,409.15
Adjustment for:		
(Increase)/Decrease in Inventories	6,706.47	(13,619.54)
(Increase) in Trade Receivables	(8,829.09)	(7,306.30)
(Increase) in Short Term Loans and Advances	(16.66)	(6.78)
Decrease in Other Current Financial Assets	201.74	2,907.73
Decrease in Other Current Assets	128.77	124.28
Decrease in Other Non-Current Financial Assets	23.55	26.85
(Increase)/Decrease in Other Non-Current Assets	625.16	(585.15)
Increase in Trade Payables	991.81	5,187.52
Increase/(Decrease) in Other Current Financial Liabilities	(589.34)	1,338.90
Increase in Other Current Liabilities	2,636.19	310.31
Increase/(Decrease) in Provisions	(378.74)	599.13
Working Capital Changes	1,499.86	(11,023.05)
Cash Generated from Operations	27,931.29	16,386.10
Direct Taxes Paid (Net of Refund)	(4,579.08)	(4,892.00)
Net Cash Generated from Operating Activities	23,352.21	11,494.10
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment	(12,192.76)	(7,534.21)
Proceeds from sale of Property, Plant & Equipment	60.98	179.24
(Investment in) / Redemption of Fixed Deposits & Margin Money (net)	(514.50)	50.53
(Investment)/ Redemption of earmarked balances with Banks	76.69	(100.86)
Dividend Received	2,460.72	1,535.56
Interest Received	648.33	5.82
Investment in Preference shares of Subsidiary Company	-	22,170.89
Redemption in Preference shares of Subsidiary Company	-	(22,170.89)
Investments in Equity Shares of Subsidiary Company	(5.00)	-
Proceeds from Sale of Non-Current Investments	0.20	-
Proceeds from sale of mutual fund	27,945.87	-
Investment in Mutual fund	(27,800.00)	-
Net Cash (Used in) Investing Activities	(9,319.47)	(5,863.92)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
C. Cash Flow from Financing Activities		
Dividend Paid	(3,637.09)	(2,442.28)
Dividend Distribution Tax Paid	(226.05)	(209.10)
Finance Cost Paid	(2,170.52)	(4,391.63)
Repayment of Finance Lease Liability	(155.61)	-
(Repayment)/Proceeds from Short Term Borrowings	(3,838.98)	15,150.81
Proceeds from Bank Borrowing (Term Loan)	-	3,000.00
Repayment of Bank Borrowing (Term Loan)	(3,417.26)	(16,683.33)
Net Cash (Used in) from Financing Activities	(13,445.51)	(5,575.53)
Net Increase in Cash and Cash Equivalent (A+B+C)	587.23	54.65
Cash and Cash Equivalent at the beginning of the year	177.16	122.51
Cash and Cash Equivalent at the end of the year	764.39	177.16
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	753.11	167.08
Cash on Hand	11.28	10.08
Cash and Cash Equivalent at the end of the year (Refer Note 11)	764.39	177.16

Notes to the Cash Flow Statement for the year ended on 31st March, 2020.

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

2) Changes in liabilities arising from financing activities
(Rs. in Lakhs)

Particulars	April 1, 2019	Cash flows	Other	March 31 st , 2020
Current borrowings (Note 22)	19,957.32	(3,838.98)	607.59	16,725.93
Lease liabilities (Note 44)	-	(155.61)	855.35	699.74
Non- current borrowings (Note 18)	8,527.45	(3,417.26)	448.11	5,558.30
Accrued interest (Note 25)	112.31	(112.31)	35.41	35.41
Total liabilities from financing activities	28,597.08	(7,524.16)	1,946.46	23,019.38

(Rs. in Lakhs)

Particulars	April 1, 2018	Cash flows	Other	March 31 st , 2019
Current borrowings (Note 22)	15,792.02	15,150.81	(10,985.51)	19,957.32
Non- current borrowings (Note 18)	21,741.23	(13,683.33)	469.55	8,527.45
Accrued interest (Note 25)	72.05	(72.05)	112.31	112.31
Total liabilities from financing activities	37,605.30	1,395.43	(10,403.65)	28,597.08

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time and effect of Unrealised foreign currency amount on external commercial borrowings.

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

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 15th June 2020

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

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

Place : Ahmedabad
Date : 15th June 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(a) Equity Share Capital

Particulars	Note	No of Shares	Rs. in Lakhs
Issued, Subscribed and fully paid equity shares of Re.1 each			
Balance as at April 1, 2018		25,43,14,211	2,543.14
Changes during the year	16	-	-
Balance as at March 31, 2019		25,43,14,211	2,543.14
Changes during the year	16	-	-
Balance as at March 31, 2020		25,43,14,211	2,543.14

(b) Other Equity (Rs. in Lakhs)

Particulars	Other Equity (Refer Note 17)					Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earning	
Balance at April 1, 2018	31.22	15,650.48	184.33	9,767.18	41,593.48	67,226.69
Profit for the year	-	-	-	-	16,869.07	16,869.07
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(90.08)	(90.08)
Total Comprehensive Income for the year	-	-	-	-	16,778.99	16,778.99
Transfer to General Reserve	-	-	-	1,500.00	(1,500.00)	-
Dividend Paid	-	-	-	-	(2,543.14)	(2,543.14)
Dividend Distribution Tax	-	-	-	-	(209.10)	(209.10)
As at 31st March 2019	31.22	15,650.48	184.33	11,267.18	54,120.23	81,253.44
Profit for the year	-	-	-	-	19,291.58	19,291.58
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(221.15)	(221.15)
Total Comprehensive Income for the year	-	-	-	-	19,070.43	19,070.43
Transfer to General Reserve	-	-	-	1,200.00	(1,200.00)	-
Dividend Paid	-	-	-	-	(3,560.40)	(3,560.40)
Dividend Distribution Tax	-	-	-	-	(226.04)	(226.04)
As at 31st March 2020	31.22	15,650.48	184.33	12,467.18	68,204.22	96,537.43

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

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP, Chartered Accountants

ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta

Partner

Membership No : 101974

Place : Ahmedabad

Date : 15th June 2020

G S Chahal

Chief Financial Officer

K. D. Mehta

Company Secretary

For and on behalf of the Board of Directors of

Meghmani Organics Limited

(CIN NO-24110GJ1995PLC024052)

J.M.Patel - Executive Chairman (DIN - 00027224)

A.N.Soparkar - Managing Director (DIN - 00027480)

N.M.Patel - Managing Director (DIN - 00027540)

Place : Ahmedabad

Date : 15th June 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

1. CORPORATE INFORMATION

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

The Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 15th June 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS FOR PREPARATION OF ACCOUNTS

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

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

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

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

Estimates and assumptions

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

Taxes:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 39 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, plant and equipment

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

Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.3.

Impairment of non- financial assets

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. CURRENT VS. NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Liability is treated as current when it is:

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

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

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

b. REVENUE RECOGNITION

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

1) Sale of Goods

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

(I) Variable consideration

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

Volume rebates:

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

(ii) Contract assets

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Trade receivables

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

(iii) Contract liabilities

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

2) Interest Income

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

3) Export Incentives

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

4) Dividend

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

5) Insurance Claims

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

6) Rental income

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

c. FOREIGN CURRENCIES

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

Transactions and Balances

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

d. FAIR VALUE MEASUREMENT

The Company measures certain financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 43.

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

e. PROPERTY, PLANT AND EQUIPMENT

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

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

Items of stores and spares that meet the definition of Property, Plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for Plant and Machinery pertaining to power generating units which are based on independent technical evaluation, the useful life of which has been estimated as 20 years (on single shift basis) which is different from that prescribed in schedule II of the Act. Depreciation is not provided on freehold land. Leasehold land is amortized over the lease period on a straight line basis. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Asset	Estimated Useful life
Right to use – Leasehold Land	99 Years
Building	30 Years
Plant & Machinery	15 Years
Power Generating units	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

f. Intangible Assets

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

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

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

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

Research and development costs

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

Assets	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 years
Product licenses	On Straight-line basis	5 years
Usage rights	On Straight-line basis	5 years
Right of Use Asset	On Straight-line basis	6 years

Intangible assets under development

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

g. IMPAIRMENT OF NON- FINANCIAL ASSETS

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

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

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

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

h. FINANCIAL INSTRUMENT

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

(A) Financial Asset

Initial Recognition and Measurement

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

Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

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

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Equity investments

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

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

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

De-recognition

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

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

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

- Trade receivables and
- Other receivables

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Trade and other payables

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

Derivatives and hedging activities

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

De-recognition

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

OFF-SETTING FINANCIAL INSTRUMENT

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

i. INVENTORIES

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

j. BORROWING COSTS

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

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

k. Retirement and other employee benefits

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

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

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

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

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

l. ACCOUNTING FOR TAXES ON INCOME

Income taxes

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Deferred taxes

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

m. PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

n. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

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

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

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

o. LEASES

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Where the Company is the lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 17:

Finance Leases, which effectively transfer to the Company substantially all the risks and rewards incidental to the ownership of lease item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the leased term and disclosed as leased assets.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term since the payment to the lessor are structured in a manner that the increase is not expected to be in line with expected general inflation.

p. EARNING PER SHARE

Basic earnings per share

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

Diluted earnings per share

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

q. CASH AND CASH EQUIVALENTS

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

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

r. DIVIDEND

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

s. SEGMENT REPORTING

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

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

Segment Policies:

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

Notes to the Financial Statements For The Year Ended 31st March 2020

Note - 3

Property, Plant and Equipment, Capital Work in Progress, other Intangible Assets and Intangibles under Development as on 31st March 2020
(Rs. in Lakhs)

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation				Net		
		Opening	Addition	Deduction	Adjustments on initial application of IND AS 116	Closing	Opening	Charged For the Year	Deduction	Adjustments on initial application of IND AS 116	Closing	As at 31 st March, 2020	As at 31 st March, 2019
3.1	Tangible Assets												
1	Freehold Land	558.40	-	-	-	558.40	-	-	-	-	-	558.40	558.40
2	Leasehold Land	3,839.28	-	-	(3,839.28)	-	135.19	-	(135.19)	-	-	-	3,704.09
3	Right to Use Asset	-	-	-	3,704.09	3,704.09	-	42.48	-	-	42.48	3,661.61	-
	Lease hold land												
4	Building	15,777.37	1,133.09	-	-	16,910.46	2,445.12	646.83	-	-	3,091.95	13,818.51	13,332.25
5	Plant & Machinery	34,443.27	6,464.75	306.82	-	40,601.20	10,849.19	3,142.41	130.77	-	13,860.83	26,740.37	23,594.08
6	Furniture & Fixtures	706.21	102.79	11.04	-	797.96	199.30	69.01	4.88	-	263.43	534.53	506.91
7	Vehicles	1,317.13	210.42	43.67	-	1,483.88	500.20	157.18	26.90	-	630.48	853.40	816.93
8	Computers	145.85	34.78	1.40	-	179.23	79.00	27.42	-	-	106.42	72.81	66.85
9	Other Equipments	365.83	86.65	1.78	-	450.70	166.15	64.36	0.53	-	229.98	220.72	199.68
	Sub Total	57,153.34	8,032.48	364.71	(135.19)	64,685.92	14,374.15	4,149.69	163.08	(135.19)	18,225.57	46,460.35	42,779.19
3.3	Intangible Assets												
1	Software Licenses	124.34	16.33	-	-	140.67	72.51	13.88	-	-	86.39	54.28	51.83
2	Product Licenses	2,052.21	85.51	-	-	2,137.72	990.55	403.67	-	-	1,394.22	743.50	1,061.66
3	Usage Rights	214.41	142.40	-	-	356.81	175.85	53.79	-	-	229.64	127.17	38.56
4	Right-of-Use Assets	-	-	-	797.13	797.13	-	131.03	-	-	131.03	666.10	-
	Sub Total	2,390.96	244.24	-	797.13	3,432.33	1,238.91	602.37	-	-	1,841.28	1,591.05	1,152.05
	Total	59,544.30	8,276.72	364.71	661.94	68,118.25	15,613.06	4,752.06	163.08	(135.19)	20,066.85	48,051.40	43,931.24

3.2 Capital Work In Progress/Intangibles under development

(Rs. in Lakhs)

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2019	4,442.48	491.27	4,933.75
Addition	8,260.15	90.03	8,350.18
Capitalisation	3,065.26	142.40	3,207.66
As at March 31, 2020	9,637.37	438.90	10,076.27

- (i) Capital Work-In-Progress for Tangible Assets as at 31st March 2020 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.
- (ii) Intangible Assets under Development as at 31st March 2020 comprises expenditure for the development and registration of product licenses.
- (iii) For property plant & equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Financial Statements For The Year Ended 31st March 2020

Note - 3

Property, Plant and Equipment, Capital Work in Progress, other Intangible Assets and Intangibles under Development as on 31st March 2019

(Rs. in Lakhs)

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

*Includes Following assets lost due to fire. (Refer Note 35)

(Rs. in Lakhs)

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

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

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

(i) Capital Work-In-Progress for Tangible Assets as at 31st March 2019 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) Intangible Assets under Development as at 31st March 2019 comprises expenditure for the development and registration of product licenses.

(iii) For property plant & equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Financial Statements For The Year Ended 31st March 2020**Notes: - Addition to Research and Development Assets during the Year are as under: (Rs. in Lakhs)**

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net	
		Opening	Addition	Deduction	Closing	Opening	Charge For the Year	As at 31 st March 2020	As at 31 st March 2019
	Tangible Assets								
1	Building	17.03	6.68	-	23.71	0.81	0.48	22.42	16.22
2	Plant & Machinery	225.43	38.33	0.15	263.61	71.06	23.89	188.66	154.37
3	Furniture & Fixtures	15.85	32.23	-	48.08	13.30	1.32	33.46	2.55
4	Computers	5.07	0.58	0.10	5.55	3.23	1.22	1.10	1.84
5	Other Equipments	4.91	4.07	0.03	8.95	1.71	0.95	6.29	3.20
	Sub Total	268.29	81.89	0.28	349.90	90.11	27.86	231.93	178.18
	Intangible Assets								
1	Product Licenses	52.96	-	-	52.96	52.96	-	-	-
	Sub Total	52.96	-	-	52.96	52.96	-	-	-
	Total	321.25	81.89	0.28	402.86	143.07	27.86	231.93	178.18

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

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

Notes to the Financial Statements For The Year Ended 31st March 2020

4 INVESTMENTS IN SUBSIDIARIES

(Rs. in Lakhs)

PARTICULARS	31st March 2020	31st March 2019
Investment at cost		
Investments in Equity Shares of Subsidiaries (Unquoted)		
(i) 2,92,500 (31 st March 2019 - 2,92,500) Equity Shares of Meghmani Organics Inc., USA of USD 1 each	139.70	139.70
(ii) 2,35,45,985 (31 st March 2019 - 2,35,45,985) Equity Shares of Meghmani Finechem Limited of Rs.10/- each (Refer Note 46)	7,115.75	7,115.75
(iii) 1 (31 st March 2019 - 1) Equity Shares of Meghmani Overseas FZE of AED 35,000 each	4.56	4.56
(iv) 50,000 (31 st March 2019 - Nil) Equity Shares of Meghmani Organochem Private Limited of Rs. 10 each *	5.00	-
(v) 2,50,000 (31 st March 2019- 2,50,000) Equity Shares of PT Meghmani Organics Indonesia of USD 1 each	123.30	123.30
Less - Impairment of Investments in Equity Shares of PT Meghmani Organics Indonesia (Refer Note below)	(123.30)	(123.30)
Investments in Optionally Convertible Redeemable Preference Shares (OCRPS) of Subsidiary (Unquoted)		
210,919,871 (31 st March 2019 - 210,919,871) 8% OCRPS of Meghmani Finechem Limited of Rs. 10/- each (Refer Note 46)	10,986.54	10,986.54
TOTAL	18,251.55	18,246.55

TOTAL INVESTMENTS IN UNQUOTED EQUITY SHARES / OCRPS OF SUBSIDIARIES

(Rs. in Lakhs)

PARTICULARS	31st March 2020	31st March 2019
Aggregate Value Of Investments in Subsidiaries (Gross)	18,374.85	18,369.85
Aggregate Value of Impairment of Investments in Subsidiary	123.30	123.30

Note - The Subsidiary has discontinued business operations and the management is awaiting approval from regulatory authorities of Indonesia to formally close down the Entity

* Subscribed during the year w.e.f. 15th October 2019

Notes to the Financial Statements For The Year Ended 31st March 2020

5 FINANCIAL ASSETS : INVESTMENTS

(Rs. in Lakhs)

PARTICULARS	31 st March 2020	31 st March 2019
Investment at fair value through Other Comprehensive Income		
(I) Investments in Equity Shares (Unquoted)		
(i) 4 (31 st March 2019 - 4) Equity Shares of Alaukik Owners Association of Rs.100/- each #	0	0
(ii) 5,17,085 (31 st March 2019 - 5,17,085) Equity Shares of Narmada Clean Tech of Rs.10/- each	51.71	51.71
(iii) 14,000 (31 st March 2019 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of Rs.10/- each	1.40	1.40
(iv) 500 (31 st March 2019 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of Rs.10/- each	0.05	0.05
(v) 30,000 (31 st March 2019 - 30,000) Equity Shares of Panoli Enviro Technology of Rs.10/- each	3.00	3.00
(vi) 100 (31 st March 2019 - 100) Equity Shares of Sanand Eco Project Limited of Rs.10/- each	0.01	0.01
(vii) 2,000 (31 st March 2019 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of Rs.50/- each	1.00	1.00
(viii) 10 (31 st March 2019 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of Rs.50/- each	0.01	0.01
Total (I)	57.18	57.18
Investment at Amortised Cost		
(II) Investments in Government Securities (Unquoted)		
National Savings Certificates	0.03	0.23
Total (II)	0.03	0.23
Total (I+II)	57.21	57.41

Note - # Amount is less than Rs. 0.01 Lakhs

(Rs. in Lakhs)

PARTICULARS	31 st March 2020	31 st March 2019
Aggregate Value Of Investments in unquoted Investments	57.21	57.41

Note - i) Aggregate and Fair value of Quoted investment is Rs Nil

ii) Aggregate value of impairment of Investment is Rs Nil

6 OTHER FINANCIAL ASSETS (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Security Deposits	512.49	519.45
Bank Deposits with original maturity of more than 12 months (including interest accrued) (Refer Note below)	553.99	40.25
TOTAL	1,066.48	559.70

Note :

Margin money deposits amounting Rs. 553.99 Lakhs are given as security against guarantees with Banks (31st March 2019 - Rs. 40.25 Lakhs). These deposits are made for varying periods of 1 year to 5 years and earns interest ranging between 6.00% to 6.90%.

Notes to the Financial Statements For The Year Ended 31st March 2020

7 INCOME TAX ASSETS (NET)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Non-current		
Advance payment of Income Tax (Net of Provision)	663.30	681.89
TOTAL	663.30	681.89
Current		
Advance payment of Income Tax (Net of Provision)	-	278.85
TOTAL	-	278.85

8 OTHER NON-CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Capital Advances	1,167.82	182.86
Balances with Government Authorities (Amount Paid Under Protest)	325.27	950.43
TOTAL	1,493.09	1,133.29

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

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Raw Materials	7,325.49	7,303.77
Raw Materials in Transit	1,041.39	373.18
Work In Process	1,319.76	1,376.52
Finished Goods	10,599.73	10,755.17
Finished Goods in Transit	7,382.50	14,857.69
Stock in Trade	220.41	47.96
Stores and Spares	911.00	731.38
Others (Packing Material and Fuel Stock)	854.05	915.13
TOTAL	29,654.33	36,360.80

- i During the previous year, the Company had written off inventory amounting to Rs 523.98 lakhs which was destroyed in fire. The same was disclosed in statement of profit and loss under exceptional item. Refer Note 35.

Notes to the Financial Statements For The Year Ended 31st March 2020

10 TRADE RECEIVABLES

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Trade Receivables		
Secured, Considered Good	178.80	146.18
Unsecured, Considered Good	46,200.22	35,266.20
Trade receivables which have significant increase in credit risk	430.34	-
Trade receivables - credit impaired	982.44	619.91
	47,791.80	36,032.29
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	(430.34)	-
Trade receivables - credit impaired	(982.44)	(619.91)
TOTAL	46,379.02	35,412.38

Trade receivable are secured to the extent of deposit received from the customers.

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

For amounts due and terms and conditions relating to related party receivables, Refer Note 42.

For information about Credit Risk and Market Risk related to Trade Receivables, please Refer Note 43

11 CASH AND CASH EQUIVALENTS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Balance with Banks in Current Accounts	753.11	167.08
Cash on Hand	11.28	10.08
TOTAL	764.39	177.16

12 OTHER BANK BALANCES

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Deposits with Original Maturity of more than three months but less than twelve months (Refer Note below)	17.08	13.29
Earmarked balances For Unclaimed Dividend	46.27	122.96
TOTAL	63.35	136.25

Note : Deposits amounting Rs. 17.08 Lakhs are given as security against guarantees with Banks (31st March 2019 - Rs. 13.29 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 6.25% to 7.00%.

13 LOANS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Loans to Employees (Refer Note below)	39.64	22.99
TOTAL	39.64	22.99

Notes: (i) The loans to employees are interest free and are generally for a tenure of 6 to 12 months.

(ii) Since all the above loans given by the company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 viz: a) secured, b) loans which have significant increase in credit risk and c) credit impaired is not applicable.

Notes to the Financial Statements For The Year Ended 31st March 2020

14 OTHER FINANCIAL ASSETS (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Export Benefit Receivable	1,999.99	2,419.43
Interest Accrued on Deposits with Banks and Others	-	288.33
Security Deposit	0.20	4.95
Balance with Government Authorities (GST Refund)	1,579.03	1,356.58
TOTAL	3,579.22	4,069.29

15 OTHER CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Balance with Government Authorities (Refer Note below)	3,002.24	3,006.01
Advances to Suppliers	253.46	262.46
Advances to Employees	3.35	3.27
Prepaid Expenses	807.20	939.05
Others	161.20	145.42
Unsecured, Considered Doubtful		
Advances to Suppliers	-	20.90
Allowance for Doubtful Advances	-	(20.90)
TOTAL	4,227.45	4,356.21

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

16 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity shares of Re. 1 each.		
As at 1st April 2018	37,00,00,000	3,700.00
Increase/(Decrease) during the year	-	-
As at 31st March 2019	37,00,00,000	3,700.00
Increase/(Decrease) during the year	-	-
As at 31st March 2020	37,00,00,000	3,700.00

ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity shares of Re. 1 each.	25,43,14,211	2,543.14

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

PARTICULARS	No. of shares	Rs. in Lakhs
As at 1st April 2018	25,43,14,211	2,543.14
Increase/(Decrease) during the year	-	-
As at 31st March 2019	25,43,14,211	2,543.14
Increase/(Decrease) during the year	-	-
As at 31st March 2020	25,43,14,211	2,543.14

Notes to the Financial Statements For The Year Ended 31st March 2020

Terms / Rights attached to Equity shares

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

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

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

PARTICULARS	As at 31 st March 2020		As at 31 st March 2019	
	No. of shares	% Holding	No. of shares	% Holding
DBS Nominees (P) Ltd.	1,28,49,340	5.05%	1,28,92,190	5.07%
Mr. Jayanti Patel	1,80,24,390	7.09%	1,80,24,390	7.09%
Mr. Ashish Soparkar	2,52,14,296	9.91%	2,47,85,628	9.75%
Mr. Natwarlal Patel	2,07,39,850	8.16%	2,07,39,850	8.16%
Mr. Ramesh Patel	1,58,85,567	6.25%	1,56,60,689	6.16%
Total	9,27,13,443	36.46%	9,21,02,747	36.22%

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

Distribution made and proposed

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Cash dividends on Equity shares declared and paid:		
Final dividend for 31 st March 2019: Rs. 0.40 per share (31 st March 2018: Rs. 0.40 per share)	1,017.26	1,017.26
DDT on Final Dividend	209.10	209.10
Interim Dividend for 31 st March 2020: Rs 1.00 per share (31 st March 2019: Rs 0.60 per share)	2,543.14	1,525.88
DDT on Interim Dividend	16.94	-
Proposed dividends on Equity shares:		
Proposed cash dividend for 31 st March 2020: Rs. Nil per share (31 st March 2019: Rs. 0.40 per share)	-	1,017.26
DDT on Proposed Dividend	-	209.10

Notes to the Financial Statements For The Year Ended 31st March 2020

17 OTHER EQUITY

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
(1) Securities Premium		
Balance as at the Beginning of the year	15,650.48	15,650.48
Balance as at the end of the year	15,650.48	15,650.48
(2) Capital Reserve		
Balance as at the Beginning of the year	31.22	31.22
Balance as at the end of the year	31.22	31.22
(3) General Reserve		
Balance as at the Beginning of the year	11,267.18	9,767.18
Add : Transferred from Retained Earning	1,200.00	1,500.00
Balance as at the end of the year	12,467.18	11,267.18
(4) Capital Redemption Reserve		
Balance as at the Beginning of the year	184.33	184.33
Balance as at the end of the year	184.33	184.33
(5) Retained Earning		
Balance as at the Beginning of the year	54,120.23	41,593.48
Add : Profit for the Year	19,291.58	16,869.07
Add : Other Comprehensive Income for the Year (Net)	(221.15)	(90.08)
	73,190.66	58,372.47
Less : Appropriation		
Transfer to General Reserve	1,200.00	1,500.00
Dividend Paid	3,560.40	2,543.14
Dividend Distribution Tax	226.04	209.10
Balance as at the end of the year	68,204.22	54,120.23
TOTAL	96,537.43	81,253.44

Nature and purpose of reserves :

Securities Premium

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

Capital Reserve

The Capital Reserve represents change in depreciation of Property, Plant and Equipments created in earlier years.

General Reserve

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

Capital Redemption Reserve

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

Notes to the Financial Statements For The Year Ended 31st March 2020

18 BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
SECURED		
Term Loan Facilities from Banks :		
In Indian Currency (Refer Note - i below)	598.20	12,695.64
In Foreign currency (Refer Note - ii and iii below)	9,063.00	-
TOTAL	9,661.20	12,695.64
Current maturity of long term borrowing clubbed under current financial liabilities (Refer Note 24)	4,102.90	4,168.19
Total Non-Current borrowing	5,558.30	8,527.45
The above amounts includes:		
Secured borrowing	5,558.30	8,527.45
Unsecured borrowing	-	-

Refer Note No - 43 for Interest rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

i The Company has Rupee Term Loan facility of Rs. 3,000.00 Lakhs. The facility is secured by First Pari Passu charge on specific movable and immovable fixed assets of the Company. Loan is repayable in 20 Quarterly installments of Rs. 150.00 Lakhs each commencing from 30th April 2016 and interest rate is linked to one year MCLR with monthly rests. Interest rate was in the range of 8.15 % to 8.75% during the year (31 March 2019: 8.20% to 8.75%). The outstanding amount of loan as at March 31, 2020 is Rs. 600.00 (as at March 31, 2019: Rs. 1,200.00) Lakhs.

ii The Company has Rupee Term Loan facility of Rs. 10,675.00 Lakhs (31 March 2019: Rs. 10,675.00 Lakhs). The facility is secured by First charge on all the Company's movable and immovable fixed assets and exclusive charge on specific movable and immovable fixed assets. The loan carries floating interest rate linked to one year MCLR plus spread of 70 bps with monthly rests. Interest rate was in the range of 8.85% to 9.20% (31 March 2019: 8.20% to 8.85%).

During the year outstanding India Rupee loan of Rs 2,336.79 lakhs has been converted into foreign currency loan of Euro 29.26 lakhs. The borrowing carries interest at 3 months Euribor + 3.25% payable at monthly rest. Outstanding balance for this borrowing is Euro 22.85 lakhs equivalent to Rs 1,891.66 lakhs (as at 31 March 2019: Rs 3,875 lakhs). As per the original terms, the loan is repayable in 26 quarterly instalment starting 31 December 2015 and ending on 31 March 2022.

Repayment of loan is as follows :

- 1 Two quarterly instalments of Rs. 325.00 Lakhs each starting from 31.12.2015
- 2 Fifteen quarterly instalments of Rs. 512.50 Lakhs each starting from 30.06.2016
- 3 Two quarterly instalments of Euro 6.42 Lakhs each starting from 31.03.2020
- 4 Seven quarterly instalments of Euro 2.35 Lakhs each starting from 30.09.2020

iii The Company has Rupee Term Loan facility of Rs. 9,200.00 Lakhs (31 March 2019: Rs. 9,200.00 Lakhs). The Facility is secured by (a) Exclusive Charge on Windmill (b) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company (c) Assignment of Lease Hold Land used for Windmill (d) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company (excluding the assets charged specifically to other lenders).

During the year outstanding India Rupee loan of Rs 6,899.23 lakhs has been converted into foreign currency loan of Euro 87.41 lakhs. The borrowing carries interest at 6 month Euribor + 1.75% p.a. payable at monthly rest. Outstanding balance for this borrowing is Euro 87.41 lakhs equivalent to Rs 7,234.88 lakhs (as at 31 March 2019: Rs 7,666.67 lakhs). As per the original terms, the loan is repayable in 12 half yearly starting from financial year 2018-19:

Notes to the Financial Statements For The Year Ended 31st March 2020

Repayment of loan is as follows :

1 - Three half yearly instalment of Rs 766.67 lakhs

2 - Nine half yearly instalment of Euro 9.71 lakhs

- iv Bank loans availed by the Company are subject to certain covenants relating to interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and return on Property, Plant and Equipment.

19 OTHER FINANCIAL LIABILITIES (NON - CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Lease Liability (Refer Note No 44)	597.99	-
TOTAL	597.99	-

20 PROVISIONS (NON - CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Provision for Employee benefits		
Gratuity (Refer Note 39)	1,084.21	608.05
Compensated absences	62.86	40.63
TOTAL	1,147.07	648.68

21 TAX EXPENSES

(a) Amounts recognised in Profit and Loss

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Current Income Tax	5,760.00	5,390.00
Adjustment to tax related to earlier periods	(273.02)	(73.79)
Deferred tax relating to origination & reversal of temporary differences	(1,233.29)	33.84
Tax expense for the year	4,253.69	5,350.05

(b) Amounts recognised in Other Comprehensive Income

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended March 31 st , 2019
Items that will not be reclassified to statement of Profit and Loss		
Remeasurements of the Defined Benefit Plans		
Before Tax	(295.53)	(138.46)
Tax (expense) / benefit	74.38	48.38
Net of Tax	(221.15)	(90.08)

Notes to the Financial Statements For The Year Ended 31st March 2020

(c) Reconciliation of Effective Tax Rate

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Profit Before Tax	23,545.27	22,219.12
Tax using the Company's domestic tax rate (31 March 2020: 25.17% and 31 March 2019: 34.94%)	5,925.87	7,764.25
Non-Deductible Tax Expenses		
Capital work-in-progress loss due to fire	-	100.74
Donation disallowed	30.83	78.43
Reversal of Deferred Tax Asset created for SEZ Unit due to change in tax law	93.19	-
Others	107.30	319.74
Allowable Tax Expenditure		
Additional R & D Expenses u/s - 35(2AB)	-	(36.63)
Income exempt from income taxes (u/s 10A)	-	(199.06)
Exempt Dividend Income	(486.60)	(536.59)
(Profit) on sale of Investment	-	(2,067.04)
Others		
Adjustment for Tax of Prior Periods	(273.02)	(73.79)
Revaluation of Deferred tax liabilities due to change in Tax Rate (Refer Note Below)	(1,143.88)	-
Total	4,253.69	5,350.05
Effective Tax Rate	18.07%	24.08%

The Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Company has recognized the provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax basis the rate prescribed in the aforesaid section. The consequent impact of remeasurement of deferred tax amounting to INR 1,143.88 lakhs is accounted during year ended March 31, 2020.

(d) Movement in Deferred Tax balances for the year ended March 31st, 2020

(Rs. in Lakhs)

Particular	Net balance April 1, 2019	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred Tax Asset as at 31 st March, 2020	Deferred Tax Liability as at 31 st March, 2020
Property, Plant and Equipment	(4,601.78)	1,194.47	-	(3,407.31)	-	(3,407.31)
Trade Receivables	223.92	131.65	-	355.57	355.57	-
Loans and Borrowings	(15.85)	(4.73)	-	(20.58)	-	(20.58)
Employee Benefits	326.34	(88.10)	74.38	312.62	312.62	-
Investment	(21.41)	-	-	(21.41)	-	(21.41)
Tax Assets/(Liabilities)	(4,088.78)	1,233.29	74.38	(2,781.11)	668.19	(3,449.30)
Set off						668.19
Net Tax Liabilities						(2,781.11)

Notes to the Financial Statements For The Year Ended 31st March 2020

Movement in Deferred Tax balances for the year ended March 31st, 2019

(Rs. in Lakhs)

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

22 BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Secured Loans		
Loans Repayable on Demand		
Cash Credit, Packing Credit and working capital demand loan accounts (Refer Note below)		
From Banks - In Indian Currency	2,018.44	10,158.51
From Banks - In Foreign Currency	11,338.75	9,798.81
Unsecured Loans		
From Banks - In Foreign Currency	3,368.74	-
TOTAL	16,725.93	19,957.32

- i The Company has availed Cash credit, packing credit and working capital demand loans of Rs 40,000 lakhs (31 March 2019: Rs 40,000 lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers). The present consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:

- Interest rates on cash credit loans vary within the range of 9.50 % to 10.50% (31 March 2019: 9.20% to 10.50%).
- Interest rates on packing credit loans vary within the range of USD Libor +1.25% to 2.00% and Euribor+ 0.75% to 2.70% (31 March 2019: Libor +1.5% to 2.70%).
- Interest rates on working capital demand loans vary within the range of 8.35% to 9.20% (31 March 2019: 8.05% to 8.60%).

Notes to the Financial Statements For The Year Ended 31st March 2020

23 TRADE PAYABLES

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Outstanding Dues of Micro and Small Enterprises (Refer Note 38)	1,784.41	888.16
Outstanding Dues of Creditors other than Micro and Small Enterprises (Refer Note below)	21,682.82	21,401.66
TOTAL	23,467.23	22,289.82

Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with Related Parties, Refer Note 42. Refer Note 43 for Company's credit risk management processes.

24 OTHER FINANCIAL LIABILITIES (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Financial liabilities carried at amortised cost		
Current maturities of Non Current Borrowings (Refer Note 18)	4,102.90	4,168.19
Interest accrued but not due on borrowings	35.41	112.31
Employee Benefits Payable	1,776.44	2,343.47
Lease Liability (Refer Note No 44)	101.75	-
Unclaimed Dividend	46.27	122.96
Payable for retention money	62.22	47.92
Payables for Capital Goods	3,131.81	935.07
Security Deposits Payable	329.40	281.81
Expenses Payable	77.75	147.65
TOTAL	9,663.95	8,159.38

25 OTHER CURRENT LIABILITIES

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Advance from Customers	3,352.31	681.86
Statutory dues payable	202.54	236.80
TOTAL	3,554.85	918.66

26 PROVISIONS (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Provision for Amount paid under Dispute (MEIS)	-	585.33
Provisions for Employee Benefits		
Leave Encashment	9.63	5.89
TOTAL	9.63	591.22

Notes to the Financial Statements For The Year Ended 31st March 2020
27 CURRENT TAX LIABILITIES (NET)

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Current Tax Payable (net)	1,780.07	1,379.87
TOTAL	1,780.07	1,379.87

28 REVENUE FROM OPERATIONS

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Revenue From Operations		
i - Manufactured Goods	1,54,213.48	1,32,780.49
ii - Traded Goods	4,685.17	4,733.14
Total Revenue From Operations	1,58,898.65	1,37,513.63
Other Operating Revenue		
i - Export benefits and other incentives	3,289.96	3,381.39
ii - Scrap Sales	276.71	146.98
Total Other Operating Revenue	3,566.67	3,528.37
TOTAL	1,62,465.32	1,41,042.00

28.1 Disaggregated revenue information

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Type of goods		
Pigments	64,056.35	60,480.23
Agro Chemicals	97,340.43	79,049.27
Others (Merchant Trading)	1,068.54	1,512.50
Total revenue from contracts with Customers	1,62,465.32	1,41,042.00
Geographical location of Customer		
India	34,709.02	30,904.75
Outside India	1,27,756.30	1,10,137.25
Total revenue from contracts with Customers	1,62,465.32	1,41,042.00
Timing of revenue recognition		
Goods transferred at a point in time	1,62,465.32	1,41,042.00
Total revenue from contracts with customers	1,62,465.32	1,41,042.00

Notes to the Financial Statements For The Year Ended 31st March 2020

28.2 Contract Assets and contract Liabilities

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Trade Receivables	46,379.02	35,412.38
Advance from customers	3,352.31	681.86

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extent of deposit received from the customers. In March 2020, Rs.1,412.78 Lakhs (March 2019: Rs.619.91 Lakhs) was recognised as provision for expected credit losses on trade receivables

Contract liabilities includes short term advance received for sale of products. There is no significant movement of during the year.

28.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Revenue as per contracted price	1,63,872.67	1,42,333.83
Adjustments		
Sales return	(994.51)	(663.37)
Trade and Cash Discount	(412.84)	(628.46)
Revenue from contract with customer	1,62,465.32	1,41,042.00

28.4 Performance obligation

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

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

28.5 Information about major customers

For Information about major customers Refer Note 41.

29 OTHER INCOME

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
OTHER NON OPERATING INCOME		
Interest Income on		
- Bank Deposits	17.69	45.25
- Others	555.60	248.42
Dividend Income on Equity and Preference Shares of Subsidiaries	2,460.72	1,535.84
Fair Value Gain on Derivative Instruments held at Fair		
Value Through Profit or Loss		17.38
Net Gain on Foreign Currency transactions	4,563.69	1,684.42
Liabilities No Longer Required Written Back	0.22	225.14
Miscellaneous Income	213.68	125.74
TOTAL	7,811.60	3,882.19

Notes to the Financial Statements For The Year Ended 31st March 2020
30 COST OF MATERIALS CONSUMED

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Pigments	31,195.56	34,921.41
Agro Chemicals	57,283.27	53,033.20
TOTAL	88,478.83	87,954.61

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

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
(A) Inventories at the beginning of the Year		
(i) Finished Goods	10,755.17	6,262.57
(ii) Finished Goods in Transit	14,857.69	8,574.23
(iii) Stock in Trade	47.96	44.83
(iv) Work-in-Progress (WIP)	1,376.52	1,115.51
TOTAL (A)	27,037.34	15,997.14
(B) Inventories at the end of the Year		
(i) Finished Goods	10,599.73	10,755.17
(ii) Finished Goods in Transit	7,382.50	14,857.69
(iii) Stock in Trade	220.41	47.96
(iv) Work-in-Progress (WIP)	1,319.76	1,376.52
TOTAL (B)	19,522.41	27,037.34
TOTAL (A - B) Change in Inventories	7,514.93	(11,040.20)

32 EMPLOYEE BENEFIT EXPENSE

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March , 2019
Salary, Wages and Bonus	5,579.87	4,652.03
Directors Remuneration (Including Contribution to Provident Fund) (Refer Note 42)	1,808.24	1,888.46
Contribution to Provident and Other Funds (Refer Note 39)	406.37	320.99
Staff Welfare Expenses	484.50	406.45
TOTAL	8,278.98	7,267.93

Notes to the Financial Statements For The Year Ended 31st March 2020

33 FINANCE COSTS

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Interest expense on :		
- Term Loans	833.98	2,366.75
- Cash Credit and Working Capital Demand Loan	1,765.72	1,292.19
- Others	150.68	390.05
- Lease Liability (Refer Note 44)	58.22	-
Other borrowing Costs (includes bank charges, etc.)	333.66	540.21
TOTAL	3,142.26	4,589.20

34 OTHER EXPENSES

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Consumption of Stores and Spares	1,433.69	1,378.45
Power and Fuel	8,663.55	8,573.05
Repairs and maintenance:		
- Buildings	116.06	200.33
- Plant and Machinery	1,356.61	1,160.76
Pollution Control Expenses	1,818.42	2,165.87
Excise Duty Expenses	-	10.35
Labour Contract Charges	2,110.89	2,117.48
Rent (Refer Note 44)	78.60	212.84
Rates and Taxes	560.53	617.61
Insurance	1,063.11	708.90
Consumption of Packing Materials	3,278.56	3,025.39
Loss on Sale / Discarded Property, plant and equipment	140.23	378.54
Freight Expenses	2,727.57	2,642.67
Research & Development Expenses (Refer Note - i below)	248.11	209.65
Bad Debts	58.61	504.75
Provision For Doubtful Debts and Advances	771.97	393.19
Water charges	651.65	664.22
Expenditure towards Corporate Social Responsibility (Refer Note - ii below)	134.01	245.88
Payments to the Auditors (Refer Note - iii below)	33.48	30.56
Miscellaneous Expenses	4,644.44	4,229.94
TOTAL	29,890.09	29,470.43

Notes to the Financial Statements For The Year Ended 31st March 2020

I Expenses includes Research & Development related expenses as follows

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Salary & Wages	153.73	155.55
Raw Material Consumption	37.04	23.29
Consumables & Spares and Others	1.22	2.04
Electricity Expenses	14.51	10.46
Annual Maintenance Contract & Repairing	35.03	11.29
Subscription	3.94	-
Telephone, Mobile & Internet Expenses	-	0.10
Travelling Expense	1.01	0.47
Vehicle Expense	0.05	4.91
Conveyance Expense	1.58	1.54
TOTAL	248.11	209.65

ii Corporate Social Responsibility Expenditure - spent during the year is Rs.134.01 Lakhs (31st March 2019 - Rs.245.88 Lakhs)

Details of Corporate Social Responsibility (CSR Expenditure)

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Amount Required to be spent as per Section 135 of the Act	245.69	165.65
Amount Spent in cash during the year on :		
i - Construction / Acquisition of an Assets	-	-
ii - On Purposes other than (i) above	134.01	245.88

iii

Payments to Auditors (Excluding taxes)	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) as Auditors	30.90	28.50
(b) for Other Services	0.20	0.60
(c) for Reimbursement of Expenses	2.38	1.46
TOTAL	33.48	30.56

Notes to the Financial Statements For The Year Ended 31st March 2020

35 EXCEPTIONAL ITEMS

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Gain on Sale of Investment in Subsidiary Company (Refer Note (a) below)	-	(5,915.29)
Loss due to Fire (Refer Note (b) below)	-	1,586.78
TOTAL	-	(4,328.51)

- '(a) The exceptional gain for year of Rs. Nil (31 March 2019: Rs.5,915.29 lakhs pertains to gain on sale of 16,900,835 shares (i.e. 23.88% stake) of Meghmani Finechem Limited ("MFL") to Meghmani Agrochemicals Private Limited ("MACPL"). Refer Note 46.
- (b) The exceptional item for the year ended March 31, 2019 includes loss on account of fire on March 26, 2019 at a manufacturing facility of the Company in Dahej location. Loss on fire included inventory, Property Plant and Equipment and other ancillary expenses amounting to INR 1,586.78 lakhs as assessed by the management and was charged to statement of profit and loss for the year ended March 31, 2019 in line with requirements of Ind AS 16. The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim. Management has submitted requisite information to surveyor and insurance company, however preliminary assessment / claim report is awaited from the Insurance company.

36 OTHER COMPREHENSIVE INCOME

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Statement of other comprehensive income		
Remeasurement gain / (loss) on defined benefit plans (Refer Note 39)	(295.53)	(138.46)
Income tax effect on above	74.38	48.38
Total	(221.15)	(90.08)

37 EARNINGS PER SHARE

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

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Profit attributable to Equity Shareholders	19,291.58	16,869.07
Weighted Average number of Equity Shares outstanding (Nos)	25,43,14,211	25,43,14,211
Basic and Diluted Earnings Per Share (Rs.)	7.59	6.63
Face value per Equity Share (Rs.)	1	1

Notes to the Financial Statements For The Year Ended 31st March 2020

- 38** The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act').
- Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at March 31, 2020 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance-Sheet date.

The details as required by MSMED Act are given below:

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year; Principal Amount Interest Amount	1,784.41 -	888.16 -
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid)	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

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

Notes to the Financial Statements For The Year Ended 31st March 2020

39 GRATUITY EXPENSES

(a) Retirement Benefits

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

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

Particulars	31 st March, 2020	31 st March, 2019
Opening Balance of Defined Benefit Obligation	1,110.81	829.87
Service Cost		
a. Current Service Cost	140.15	104.30
Interest Cost	76.65	60.58
Benefits Paid	(36.79)	(31.29)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	(36.10)
b. Actuarial Loss/(Gain) from changes in financial assumptions	79.56	179.56
c. Actuarial Loss/(Gain) from experience over the past period	190.96	3.89)
Closing balance of the defined benefit obligation	1,561.34	1,110.81

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

Particulars	31 st March, 2020	31 st March, 2019
Opening Balance of Fair Value of Plan Assets	502.76	393.74
Contributions by Employer	2.73	102.17
Benefits Paid	(36.79)	(31.29)
Interest Income on Plan Assets	33.44	29.25
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(25.01)	8.89
Closing Balance of Fair Value of Plan Assets	477.13	502.76
Actual Return on Plan Assets	8.43	38.14
Expected Employer Contributions for the coming period	100.00	100.00

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

Particulars	31 st March, 2020	31 st March, 2019
Service Cost		
Current Service Cost	140.15	104.30
Net Interest on net defined benefit liability/ (asset)	43.21	31.33
Employer Expenses	183.36	135.63

Notes to the Financial Statements For The Year Ended 31st March 2020

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

Particulars	31 st March, 2020	31 st March, 2019
Present Value of DBO	1,561.34	1,110.81
Fair Value of Plan Assets	477.13	502.76
Liability/ (Asset) recognised in the Balance Sheet	1,084.21	608.05
Funded Status [Surplus/(Deficit)]	(1,084.21)	(608.05)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	190.96	3.89
Experience Adjustment on Plan Assets: Gain/(Loss)	(25.01)	8.89

Table 5: Percentage Break-down of Total Plan Assets

Particulars	31 st March, 2020	31 st March, 2019
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	11%	14%
Of which, Traditional/ Non-Unit Linked	89%	86%
Total	100%	100%

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

Table 6: Actuarial Assumptions

Particulars	31 st March, 2020	31 st March, 2019
Salary Growth Rate	10%	10%
Discount Rate	5.7% p.a.	6.9% p.a.
Withdrawal Rate	12% pa	12% pa
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	6.9% p.a.	7.3% p.a.
Expected weighted average remaining working life	3 years	4 years

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

Particulars	31 st March, 2020	31 st March, 2019
Opening Balance (Loss)	(145.95)	(7.49)
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	36.10
b. Actuarial (Loss)/Gain from changes in financial assumptions	(79.56)	(179.56)
c. Actuarial (Loss)/Gain from experience over the past period	(190.96)	(3.89)
Re-measurements on Plan Assets		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(25.01)	8.89
Closing Balance (Loss)	(441.48)	(145.95)

Notes to the Financial Statements For The Year Ended 31st March 2020

Table 8: Sensitivity Analysis

Financial Year ended March 31, 2020	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 69.09 Lakhs	DBO decreases by Rs 63.89 Lakhs
Discount Rate	DBO decreases by Rs 65.82 Lakhs	DBO increases by Rs 72.77 Lakhs
Withdrawal Rate	DBO decreases by Rs 13.16 Lakhs	DBO increases by Rs 14.44 Lakhs

Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.56 Lakhs
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 1.12 Lakhs

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

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

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

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

Particulars	31 st March, 2020	31 st March, 2019
Surplus/ (Deficit) at start of year	(608.05)	(436.13)
Movement during the year		
Current Service Cost	(140.15)	(104.30)
Net Interest on net DBO	(43.21)	(31.33)
Actuarial gain/ (loss)	(295.53)	(138.46)
Contributions	2.73	102.17
Surplus/ (Deficit) at end of year	(1,084.21)	(608.05)

(b) Defined Contribution Plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident fund contribution of Rs. 249.79 lakhs (March 31, 2019 Rs. 205.87 lakhs) as expense in Note 32 under the head 'Contributions to Provident and Other Funds'.

Notes to the Financial Statements For The Year Ended 31st March 2020

40 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

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

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Disputed Income-Tax Liability	1,131.44	87.83
Disputed Excise Duty Liability	1,701.25	1,938.69
Disputed Service Tax Liability	160.44	216.84
Disputed Sales Tax Liability	87.04	87.04
Disputed Liabilities towards labour and workers compensation	54.38	42.11
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities)		
In respect of Letter of Credit	511.90	1,139.88

B. CAPITAL COMMITMENTS

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Estimated amount of contracts pending execution on capital accounts and not provided for (net of advances)	3,789.28	1,600.99

Notes to the Financial Statements For The Year Ended 31st March 2020

41. SEGMENT REPORTING

 Financial Year ended on 31st March 2020:

(Rs. in Lakhs)

Particulars	Pigments	Agro Chemicals	Others *	Unallocable	Total
Revenue					
External Sales	62,633.92	95,202.35	1,062.38	-	1,58,898.65
Other Operating Revenue	1,422.43	2,138.08	6.16	-	3,566.67
Total Revenue	64,056.35	97,340.43	1,068.54	-	1,62,465.32
Results					
Segment Results	8,493.36	18,268.90	13.04	-	26,775.30
Un-allocable (Expenses)/Income				(2,548.49)	(2,548.49)
Profit from Operation					24,226.81
Finance Cost					(3,142.26)
Investments Income				2,460.72	2,460.72
Profit Before Tax					23,545.27
Income tax Expenses					(5,486.98)
Deferred Tax					1,233.29
Profit After Tax					19,291.58

(Rs. in Lakhs)

Other information	Pigments	Agro Chemicals	Others	Unallocable	Total
Capital Addition	1,611.01	11,524.67	-	1,080.69	14,216.37
Depreciation	(2,286.55)	(2,117.52)	(2.28)	(345.71)	(4,752.06)
Non-Cash Items	(475.08)	(1,372.48)	7.62	11.65	(1,828.29)

(Rs. in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Others	Unallocable	Total
Assets					
Segment Assets	59,758.51	82,919.64	182.09	-	1,42,860.24
Un-allocable Assets				21,506.46	21,506.46
Total assets					1,64,366.70
Liabilities					
Segment Liabilities	22,385.98	37,451.42	82.69	-	59,920.09
Unallocable Liabilities				2,584.93	2,584.93
Deferred Tax Liabilities					2,781.11
Total Liabilities					65,286.13

*Others includes Merchant Trading Activity.

Notes to the Financial Statements For The Year Ended 31st March 2020
Financial Year ended on 31st March 2019:
(Rs. in Lakhs)

Particulars	Pigments	Agro Chemicals	Others *	Unallocable	Total
Revenue					
External Sales	58,934.91	77,066.25	1,512.47	-	1,37,513.63
Other Operating Revenue	1,545.32	1,983.02	0.03	-	3,528.37
Total Revenue	60,480.23	79,049.27	1,512.50	-	1,41,042.00
Results					
Segment Results	6,923.61	16,809.98	83.59	-	23,817.18
Un-allocable (Expenses)/Income				(2,873.21)	(2,873.21)
Profit from Operation					20,943.97
Finance Cost					(4,589.20)
Investments Income				1,535.84	1,535.84
Profit before exceptional items					17,890.61
Exceptional Items	-	(1,586.78)	-	5,915.29	4,328.51
Profit Before Tax					22,219.12
Income tax Expenses					(5,316.21)
Deferred Tax					(33.84)
Profit After Tax					16,869.07

(Rs. in Lakhs)

Other information	Pigments	Agro Chemicals	Others*	Unallocable	Total
Capital Addition	2,287.20	5,159.14	-	54.88	7,501.22
Depreciation	(2,197.11)	(2,228.27)	(0.24)	(203.42)	(4,629.04)
Non-Cash Items	(280.98)	1,922.22	21.12	(0.25)	1,662.10

(Rs. in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Others*	Unallocable	Total
Assets					
Segment Assets	59,014.93	70,586.53	195.91	-	1,29,797.37
Un-allocable Assets				20,560.39	20,560.39
Total assets					1,50,357.76
Liabilities					
Segment Liabilities	24,603.62	35,777.95	347.22	-	60,728.79
Unallocable Liabilities				1,743.61	1,743.61
Deferred Tax Liabilities					4,088.78
Total Liabilities					66,561.18

*Others includes Merchant Trading Activity

Notes to the Financial Statements For The Year Ended 31st March 2020

B - ANALYSIS BY GEOGRAPHICAL SEGMENT

Segment Revenue:

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended March 31 st , 2019
Revenue:		
Within India	34,709.02	30,904.75
Outside India	1,27,756.30	1,10,137.25
Total	1,62,465.32	1,41,042.00

The following is an analysis of the carrying amount of non-current assets, which do not include deferred tax assets, income tax assets and financial assets analysed by the geographical area in which the assets are located:

PARTICULARS	(Rs. in Lakhs)	
	31 st March , 2020	31 st March, 2019
Carrying amount of segment assets		
Within India	59,620.76	49,998.28
Outside India	-	-

The Company has two customers based outside India who have accounted for more than 10% of the Company's revenue. Total amount of revenue from these customers is Rs. 32,162.25 Lakhs for the year ended March 31, 2020 and one customer with revenue of Rs. 16,024.94 Lakhs for the year ended March 31, 2019.

Notes

- (1) Based on "management approach" defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.
- (2) The Company's operations are divided into two segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :
 - a) Agro Chemicals - The Company's operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals
 - b) Pigment Business - The Company's operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.
- (3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Notes to the Financial Statements For The Year Ended 31st March 2020

42 RELATED PARTIES DISCLOSURES :-

Subsidiaries of the Company :

Meghmani Organics USA, Inc.(MOL-USA)
PT Meghmani Organics Indonesia(MOL-INDONESIA)
Meghmani Overseas FZE-Dubai
Meghmani Finechem Limited (MFL)
Meghmani Agrochemicals Private Limited (MACPL)
(Merged with Meghmani Finechem Limited w.e.f. 11.02.2019)
Meghmani Organochem Limited (MOL2) (Incorporated w.e.f 15.10.2019)

Enterprises in which Key Managerial
Personnel [KMP] & their relatives have
significant influence :

Meghmani Pigments
Ashish Chemicals
Tapsheel Enterprise
Meghmani Dyes & Intermediates LLP
Meghmani Industries Limited
Meghmani Chemicals Limited
Arjan Owners LLP (Formerly Panchratna Corporation)
Meghmani LLP (Formerly Meghmani Unichem LLP)
Matangi Industries LLP
Navratan Specialty Chemicals LLP
Meghmani Exports Limitada S.A.De CV

Key Managerial Personnel :

Mr. Jayanti Patel
Mr. Ashish Soparkar
Mr. Natwarlal Patel
Mr. Ramesh Patel
Mr. Anand Patel
Mr. Ankit Patel (CEO)
Mr. Darshan Patel (COO)
Mr. Karana Patel (COO)
Mr. G.S. Chahal (Chief Financial Officer)
Mr. Kamlesh Mehta (Company Secretary)

Independent Directors:

Mr. Bhaskar Rao (w.e.f 10.02.2018)
Mr. Chinubhai R Shah (up to 14.05.2018)
Mr. Chander Kumar Sabharwal (up to 25.07.2019)
Mr. Balkrishna Thakkar (up to 25.07.2019)
Mr. C S Liew (w.e.f 10.02.2018)
Ms. Urvashi Shah (w.e.f 27.03.2015)
Mr. Manubhai Patel (w.e.f 10.02.2018)
Dr. (Prof) Ganapati Yadav (w.e.f 09.08.2019)

Relatives of Key Managerial Personnel:

Ms. Deval Soparkar
Mr. Maulik Patel
Mr. Kaushal Soparkar
Ms. Taraben Patel

Notes to the Financial Statements For The Year Ended 31st March 2020

Note - 42

RELATED PARTIES DISCLOSURES :-

(Rs. in Lakhs)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel [KMP]		Relatives of Key Managerial Personnel		Total	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Purchase of Goods	5,024.96	6,565.57	2,625.81	2,341.37	-	-	-	-	7,650.77	8,906.94
Sale of Goods	4,199.37	4,194.62	237.84	557.52	-	-	-	-	4,437.21	4,752.14
Sale of Services	-	-	15.04	4.98	-	-	-	-	15.04	4.98
Availing of Services	-	-	193.26	172.38	-	-	-	-	193.26	172.38
Sifting Fees	-	-	-	-	9.33	8.00	-	-	9.33	8.00
Remuneration	-	-	-	-	1,868.00	1,946.62	16.60	19.49	1,884.60	1,966.11
Loans adjusted against sale of investment in MFL to MACPL	-	10,985.54	-	-	-	-	-	-	-	10,985.54
Investment in MACPL	-	22,170.89	-	-	-	-	-	-	-	22,170.89
Cancellation of investment in MACPL pursuant to merger scheme (Refer Note 46)	-	33,157.43	-	-	-	-	-	-	-	33,157.43
Investment in MOL2	5.00	-	-	-	-	-	-	-	5.00	-
Sale of MEIS Licences	363.05	482.76	-	-	-	-	-	-	363.05	482.76
Dividend Paid	-	-	-	-	1,401.28	994.11	145.48	103.90	1,546.76	1,098.01
Dividend Received on NCRPS	-	1,535.56	-	-	-	-	-	-	-	1,535.56
OCRPS of MFL received pursuant to scheme of merger (Refer Note 46)	-	10,986.54	-	-	-	-	-	-	-	10,986.54
NCRPS of MFL received pursuant to scheme of merger (Refer Note 46)	-	22,170.89	-	-	-	-	-	-	-	22,170.89
Redemption of NCRPS	-	22,170.89	-	-	-	-	-	-	-	22,170.89
Dividend Received on OCRPS and Equity Shares	2,460.72	-	-	-	-	-	-	-	2,460.72	-
Reimbursement of Expenses Received from Subsidiary	-	28.53	-	-	-	-	-	-	-	28.53
Total	12,053.10	1,34,449.22	3,071.95	3,076.25	3,278.61	2,948.73	162.08	123.39	18,565.74	1,40,597.59

Notes to the Financial Statements For The Year Ended 31st March 2020

OUTSTANDING BALANCES WITH RELATED PARTIES

(Rs. in Lakhs)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel [KMP]		Relatives of Key Managerial Personnel		Total	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Receivables	893.64	1,162.94	65.60	311.68	-	-	-	-	959.24	1,474.62
Payables	660.58	377.70	1,203.12	781.08	-	-	-	-	1,863.70	1,158.78
Remuneration Payable	-	-	-	-	1,322.88	1,566.97	1.08	0.35	1,323.96	1,567.32
Loan Payable to Subsidiary	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses Receivable from Subsidiary	-	-	-	-	-	-	-	-	-	-
Total	1,554.22	1,540.64	1,268.72	1,092.76	1,322.88	1,566.97	1.08	0.35	4,146.90	4,200.72

Terms and Conditions of transactions with Related Parties

- (1) The Company's transactions with related parties are at arm's length. Management believes that the company's Domestic and International transactions with related parties post March 31, 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- (2) For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- (3) The future liability for Gratuity and Compensated Absence is provided on aggregated basis for all the employees of the Company taken as a whole, the amount pertaining to KMPs is not ascertainable separately and therefore not included above.

Commitments with Related Parties

The Company has not provided any commitment to the related party as at March 31, 2020 (March 31, 2019: Rs. Nil). The Company had given corporate guarantee on behalf of its subsidiary (Meghmani Finechem Limited), fair value of commission for such corporate guarantee Rs. Nil (March 31, 2019 : 2.03 lakhs) have been recorded as income for the previous year.

In the Previous Year, all the transactions pertaining to expenses entered with Meghmani Agro Chemicals Private Limited were adjusted against reimbursement of expenses. Hence, the net amount of reimbursement was derived considering the transactions entered into between the parties during the previous year.

42 RELATED PARTIES DISCLOSURES :-

DISCLOSURE IN RESPECT OF TRANSACTION WITH RELATED PARTY DURING THE YEAR: (Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Meghmani Organics USA Inc	Subsidiary	Sale of Goods	2,543.67	4,029.42
Meghmani Finechem Limited	Subsidiary	Sale of Goods	1,191.42	0.31
Meghmani Overseas FZE	Subsidiary	Sale of Goods	464.28	164.89
		Total	4,199.37	4,194.62
Meghmani Finechem Limited	Subsidiary	Sale of MEIS Licences	363.05	482.76
		Total	363.05	482.76
Meghmani Finechem Limited	Subsidiary	Purchase of Goods	4705.77	6187.87
Meghmani Overseas FZE	Subsidiary	Purchase of Goods	319.19	377.70
		Total	5,024.96	6,565.57
Meghmani Agrochemicals Private Limited	Subsidiary	Reimbursement of Expenses Received from Subsidiary	-	28.53
		Total	-	28.53
Meghmani Agrochemicals Private Limited	Subsidiary	Investment in subsidiary	-	22170.89
Meghmani Organochem Limited	Subsidiary	Investment in subsidiary	5.00	-
		Total	5.00	22,170.89
Meghmani Agrochemicals Private Limited	Subsidiary	Loans Adjusted against sale of investment in MFL to MACPL	-	10,985.54
Meghmani Finechem Limited	Subsidiary	OCRPS of MFL received pursuant to scheme of merger (Refer Note 46)	-	10,986.54
Meghmani Finechem Limited	Subsidiary	NCRPS of MFL received pursuant to scheme of merger (Refer Note 46)	-	22,170.89
Meghmani Finechem Limited	Subsidiary	Redemption of NCRPS	-	22,170.89
Meghmani Agrochemicals Private Limited	Subsidiary	Cancellation of Investment in MACPL pursuant to merger scheme(Refer Note 46)	-	33,157.43
Meghmani Organics USA Inc.	Subsidiary	Dividend Received on Equity Shares	216.37	-
Meghmani Finechem Limited	Subsidiary	Dividend Received on OCRPS	1,687.36	-

42 RELATED PARTIES DISCLOSURES :-
Disclosure In Respect Of Transaction With Related Party During The Year (continue)
(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Meghmani Overseas FZE	Subsidiary	Dividend Received on Equity Shares	556.99	-
Meghmani Finechem Limited	Subsidiary	Dividend Received on NCRPS	-	1,535.56
		Total	2,460.72	1,535.56
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Sale of Goods	91.80	294.71
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	3.04	108.84
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Sale of Goods	133.73	119.71
Tapsheel Enterprises	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	3.89
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	6.56	4.51
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	2.71	25.86
		Total	237.84	557.52
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,809.97	1,577.76
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	17.37	15.93
Matangi Industries LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	3.20	12.77
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	25.87	40.77
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1.32	-
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	1.54

42 RELATED PARTIES DISCLOSURES :-

Disclosure In Respect Of Transaction With Related Party During The Year (continue)

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	768.08	692.60
		Total	2,625.81	2,341.37
Arjan Owners LLP (Formerly Panchratna Corporation)	Enterprises in which Directors & KMP have significant influence	Availing of Services	193.26	172.38
		Total	193.26	172.38
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Rent Income	15.04	2.73
		Total	15.04	2.73
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Reim. Of Expenses	-	2.25
		Total	-	2.25
Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	426.69	455.38
Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	426.87	455.29
Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	426.89	455.17
Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	296.47	300.25
Anand Patel	Key Managerial Personnel	Managerial Remuneration	231.32	222.37
G.S Chahal	Key Managerial Personnel	Salary	36.82	36.22
Kamlesh Mehta	Key Managerial Personnel	Salary	22.94	21.94
		Total	1868.00	1,946.62
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	16.60	19.49
		Total	16.60	19.49
Balkrishna T Thakkar	Independent Directors	Sitting Fees	1.53	3.50
Ganapati Dadasaheb Yadav	Independent Directors	Sitting Fees	0.50	-
Chander Kumar Sabharwal	Independent Directors	Sitting Fees	0.52	1.25
Ms. Urvashi Shah	Independent Directors	Sitting Fees	2.50	0.75
Manubhai K Patel	Independent Directors	Sitting Fees	4.28	2.50
		Total	9.33	8.00

42 RELATED PARTIES DISCLOSURES :-

Disclosure In Respect Of Transaction With Related Party During The Year (continue)

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Jayanti Patel	Key Managerial Personnel	Dividend	262.65	186.80
Ashish Soparkar	Key Managerial Personnel	Dividend	352.10	248.33
Natwarlal Patel	Key Managerial Personnel	Dividend	362.77	260.40
Ramesh Patel	Key Managerial Personnel	Dividend	235.78	165.77
Anand Patel	Key Managerial Personnel	Dividend	115.62	82.03
Karana Patel	Key Managerial Personnel	Dividend	26.17	18.65
Ankit Patel	Key Managerial Personnel	Dividend	43.22	30.21
Darshan Patel	Key Managerial Personnel	Dividend	2.97	1.92
		Total	1401.28	994.11
Deval Soparkar	Relatives of Key Managerial Personnel	Dividend	5.75	4.10
Maulik Patel	Relatives of Key Managerial Personnel	Dividend	17.78	12.70
Kaushal Soparkar	Relatives of Key Managerial Personnel	Dividend	18.91	13.50
Taraben Patel	Relatives of Key Managerial Personnel	Dividend	103.04	73.60
		Total	145.48	103.90
	Total		18,565.74	1,40,597.59

Notes to the Financial Statements For The Year Ended 31st March 2020

42. RELATED PARTIES DISCLOSURES :-

Outstanding Balance

(Rs. in Lakhs)

Particular	31 st March 2020	31 st March 2019
Payable		
Arjan Owners LLP	14.16	-
Ashish Chemicals Unit-II	17.37	-
Matangi Industries	1.09	0.65
Meghmani Dyes & Intermediate Ltd.	-	0.23
Meghmani Finechem Ltd.	660.58	-
Meghmani Industries Ltd.	1.13	31.49
Meghmani LLP	287.69	266.32
Meghmani Overseas Fze	-	377.70
Meghmani Pigments	881.68	475.02
Navratan Speciality Chemical LLP	-	1.95
Panchratna Corporation	-	5.41
Total	1,863.70	1,158.77
Receivables		
Ashish Chemicals EOU Unit - II	-	54.16
Meghmani Chemicals Limited	21.78	21.78
Meghmani Dyes & Intermediate LLP	28.09	-
Meghmani Finechem Ltd.	34.70	-
Meghmani Industries Ltd - Sez Unit	0.04	104.77
Meghmani Industries Ltd.	-	2.01
Meghmani LLP	-	3.05
Meghmani Organics Usa Inc	820.64	1,124.16
Meghmani Overseas Fze	38.30	38.78
Meghmani Unichem LLP	8.33	-
Navratan Speciality Chemical LLP	7.36	17.07
Meghmani Exports Limitada S.A.De CV	-	108.84
Total	959.24	1,474.62
Remuneration Payable		
Jayanti Patel	328.90	390.21
Ashish Soparkar	328.90	390.21
Natwarlal Patel	328.90	390.21
Ramesh Patel	198.90	235.20
Anand Patel	133.89	157.71
G.S Chahal	2.23	1.90
K D Mehta	1.17	1.53
Deval Soparkar	1.08	0.35
Total	1,323.97	1,567.32

Notes to the Financial Statements For The Year Ended 31st March 2020

43 - Financial instruments – Fair Value Hierarchy

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of financial instrument

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

(Rs. in Lakhs)

31 st March 2020	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial Assets				
Non-Current Investments (Refer Note 5)	-	57.21	-	57.21
Non-Current Other Financial Assets (Refer Note 6)	-	-	1,066.48	1,066.48
Trade Receivables (Refer Note 10)	-	-	46,379.02	46,379.02
Cash and Cash Equivalents (Refer Note 11)	-	-	764.39	764.39
Bank Balances (Other than above) (Refer Note 12)	-	-	63.35	63.35
Loans (Refer Note 13)	-	-	39.64	39.64
Other Current Financial Asset (Refer Note 14)	-	-	3,579.22	3,579.22
Total Financial Assets	-	57.21	51,892.10	51,949.31
Financial Liabilities				
Non-Current Borrowings (Refer Note 18)	-	-	5,558.30	5,558.30
Non Current Financial Liabilities (Refer Note 19)	-	-	597.99	597.99
Current Borrowings (Refer Note 22)	-	-	16,725.93	16,725.93
Trade Payables (Refer Note 23)	-	-	23,467.23	23,467.23
Other Current Financial Liabilities (Refer Note 24)*	-	-	9,663.95	9,663.95
Total Financial Liabilities	-	-	56,013.40	56,013.40

* Including Current Portion of Long Term Borrowing

Note: Investment in Subsidiaries are accounted at cost.

Notes to the Financial Statements For The Year Ended 31st March 2020

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(Rs. in Lakhs)

31 st March 2019	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial Assets				
Non-Current Investments (Refer Note 5)	-	57.41	-	57.41
Non-Current Other Financial Assets (Refer Note 6)	-	-	559.70	559.70
Trade Receivables (Refer Note 10)	-	-	35,412.38	35,412.38
Cash and Cash Equivalents (Refer Note 11)	-	-	177.16	177.16
Bank Balances (Other than above) (Refer Note 12)	-	-	136.25	136.25
Loans (Refer Note 13)	-	-	22.99	22.99
Other Current Financial Asset (Refer Note 14)	-	-	4,069.29	4,069.29
Total Financial Assets	-	57.41	40,377.77	40,435.18
Financial Liabilities				
Non-Current Borrowings (Refer Note 18)	-	-	8,527.45	8,527.45
Current Borrowings (Refer Note 22)	-	-	19,957.32	19,957.32
Trade Payables (Refer Note 23)	-	-	22,289.82	22,289.82
Other Current Financial Liabilities (Refer Note 24)*	-	-	8,159.38	8,159.38
Total Financial Liabilities	-	-	58,933.97	58,933.97

* Including Current Portion of Long Term Borrowing

Note: Investment in Subsidiaries are accounted at cost.

B. Measurement of Fairvalues and Sensitivity analysis

Fair value hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

Financial instrument measured at fair value

(Rs. in Lakhs)

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy
	31 st March 2020	31 st March 2019	
Investment at FVTOCI (unquoted) (Refer Note 5)	57.21	57.41	Level 3

Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes to the Financial Statements For The Year Ended 31st March 2020

Reconciliation of level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 1 fair values representing investment in short term liquid mutual funds.

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Opening balance on 1 st April 2019	-	-
Net change in fair value (unrealised)	-	-
Purchases	27,800.00	-
Sales	(27,800.00)	-
Closing balance on 31 st March 2020	-	-

Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 3 fair values

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Opening balance on 1 st April 2019	57.41	57.41
Purchases	-	-
Impairment in value of investments	-	-
Disposal during the year	0.20	-
Closing balance on 31 st March 2020	57.21	57.41

Financial Risk Management Framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Company's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's operations. The Company's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank Balances and other Financial Assets that derive directly from its operations.

The Company has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company has exposure to the following risks arising from financial instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit Risk

Credit risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Company considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial instruments and cash deposit

Credit risk from balances with Banks and Financial Institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes to the Financial Statements For The Year Ended 31st March 2020

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the Board of Directors.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts Receivables. The Company evaluates the concentration of risk with respect to trade receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region are as follows:

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Domestic	13,701.04	15,294.00
Other Regions	32,677.98	20,118.38
	46,379.02	35,412.38

Age of Receivables

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Neither due nor impaired	32,263.69	22,420.19
Past due 1-90 days	8,846.12	10,601.03
Past due 91-180 days	3,830.29	1,481.09
More than 180 days	1,438.92	910.07
Total	46,379.02	35,412.38

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer Credit Risk, including underlying customers' credit ratings if they are available.

Management estimates that the amount of provision of Rs.1,412.78 lakhs (31st March, 2019: Rs. 619.91 lakhs) is appropriate

Notes to the Financial Statements For The Year Ended 31st March 2020

Financial instruments – Fair Values and Risk Management (continued)

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI and amortised cost investments and derivative financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs, are as follows

(Rs. in Lakhs)

Particulars	31 st March 2020 Total	USD Denominated Exposure	EURO Denominated Exposure	INR
Financial Assets				
Trade and Other Receivables	46,379.02	27,604.42	5,094.55	13,680.05
Total	46,379.02	27,604.42	5,094.55	13,680.05
Financial Liabilities				
Long Term Borrowings	5,558.30	-	5,558.30	-
Short Term Borrowings	16,725.93	-	14,707.49	2,018.44
Trade and Other Payables	23,467.23	2,252.11	1.20	21,213.92
Other Current Financial Liabilities	9,663.95	-	3,526.34	6,137.61
Total	55,415.41	2,252.11	23,793.33	23,232.36

(Rs. in Lakhs)

Particulars	31 st March 2019 INR	USD Denominated Exposure	EURO Denominated Exposure	INR
Financial Assets				
Trade and Other Receivables	35,412.38	16,383.27	3,717.06	15,312.05
Total	35,412.38	16,383.27	3,717.06	15,312.05
Financial Liabilities				
Short Term Borrowings	19,957.32	1,210.21	8,588.60	10,158.51
Trade and Other Payables	22,289.82	3,922.54	17.98	18,349.30
Total	42,247.14	5,132.75	8,606.58	28,507.81

Notes to the Financial Statements For The Year Ended 31st March 2020

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Lakhs)

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2020				
5% movement				
USD	1,267.62	(1,267.62)	948.58	(948.58)
EUR	(934.94)	934.94	(699.63)	699.63

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2019				
5% movement				
USD	562.53	(562.53)	365.96	(365.96)
EUR	(244.48)	244.48	(159.05)	159.05

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Long-term and Short term Debt Obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Company's Interest Rate Risk arises from Borrowings Obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing Financial Instruments as reported to the management of the Company is as follows.

(Rs. in Lakhs)

Variable-rate instruments	31 st March 2020	31 st March 2019
Non Current - Borrowings	5,558.30	8,527.45
Current - Borrowings	16,725.93	19,957.32
Current portion of Long Term Borrowings	4,102.90	4,168.19
Total	26,387.13	32,652.96

Notes to the Financial Statements For The Year Ended 31st March 2020

Financial instruments – Fair Values and Risk Management (continued)

Cash Flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased /(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. in Lakhs)

Particulars	Profit or (Loss)		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2020				
Non Current - Borrowings	(55.58)	55.58	(41.59)	41.59
Current - Borrowings	(167.26)	167.26	(125.16)	125.16
Current portion of Long Term Borrowings	(41.03)	41.03	(30.70)	30.70
Total	(263.87)	263.87	(197.46)	197.46
31st March 2019				
Non Current - Borrowings	(85.27)	85.27	(55.48)	55.48
Current - Borrowings	(199.57)	199.57	(129.83)	129.83
Current portion of Long Term Borrowings	(41.68)	41.68	(27.12)	27.12
Total	(326.53)	326.53	(212.43)	212.43

Equity Price Risk:

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

iii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Financial Statements For The Year Ended 31st March 2020

Exposure to Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. (Rs. in Lakhs)

31 st March, 2020	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	600.00	600.00	600.00	-	-	-
Total	600.00	600.00	600.00	-	-	-
Foreign Currency Term Loans from banks						
SBI Bank Limited	1,868.62	1,868.62	1,103.19	765.43	-	-
AXIS Bank Limited	7,192.58	7,192.58	2,399.71	1,577.37	3,215.50	-
Total	9,061.20	9,061.20	3,502.90	2,342.80	3,215.50	-
Working Capital loans from banks	16,725.93	16,725.93	16,725.93	-	-	-
Trade and Other Payables	23,467.23	23,467.23	23,467.23	-	-	-

(Rs. in Lakhs)

31 st March, 2019	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	1,200.00	1,200.00	600.00	600.00	-	-
SBI Bank Limited	3,828.97	3,828.96	2,034.85	1,044.11	750.00	-
AXIS Bank Limited	7,666.67	7,666.67	1,533.34	1,533.33	4,600.00	-
Total	12,695.64	12,695.63	4,168.19	3,177.44	5,350.00	-
Working Capital loans from banks	19,957.32	19,957.32	19,957.32	-	-	-
Trade and Other Payables	22,289.82	22,289.82	22,289.82	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the company to manage risk concentrations at both the relationship and industry levels

Notes to the Financial Statements For The Year Ended 31st March 2020**44. New and amended standards****(A) Transition to Ind AS 116 'Leases' :**

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Company has elected below practical expedients on transition to Ind AS 116:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings.
- The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.50% (i.e. Incremental borrowing rate of the Company).

The Company has lease contracts for HO premise. Leases of HO premise is having lease terms of 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain premises in good state. The lease contract include extension and termination options which are further discussed below.

The Company also has Depots with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for this lease.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee**(i) The movement in Lease liabilities during the year:****(Rs. in Lakhs)**

Particulars	31st March 2020
Opening Balance	
Balance as at 1st April, 2019 (on adoption of Ind AS 116 - Leases)	797.13
Additions during FY 2019-20	-
Finance costs incurred during the year	58.22
Payments of Lease Liabilities	(155.61)
Balance as at 31st March, 2020	699.74

Notes to the Financial Statements For The Year Ended 31st March 2020

Financial instruments – Fair Values and Risk Management (continued)

(ii) The carrying value of the Rights-of-use and depreciation charged during the year : **(Rs. in Lakhs)**

Particulars	31 st March 2020
Opening Balance	
Balance as at 1 st April, 2019 (on adoption of Ind AS 116 - Leases)	797.13
Reclassified on account of adoption of Ind AS 116	3,704.09
Additions during FY 2019-20	-
Depreciation/Amortisation charged during the year	(173.51)
Balance as at 31st March, 2020	4,327.71

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year **(Rs. in Lakhs)**

Particulars	For the year ended 31 st March 2020
Depreciation/Amortisation expense of right-of-use assets	173.51
Interest expense on lease liabilities	58.22
Expense relating to short-term leases (included in other expenses)	78.60
Total Expenses	310.33

(iv) Amounts recognised in statement of cash flows **(Rs. in Lakhs)**

Particulars	For the year ended 31 st March 2020
Total Cash outflow for Leases	(155.61)

(v) Maturity analysis of lease liabilities **(Rs. in Lakhs)**

Particulars	31 st March 2020
Maturity Analysis of contractual undiscounted cash flows	
Less than one year	157.32
One to five years	698.10
More than five years	15.08
Total undiscounted Lease Liability	870.50

Balances of Lease Liabilities **(Rs. in Lakhs)**

Particulars	31 st March 2020
Non Current Lease Liability	597.99
Current Lease Liability	101.75
Total Lease Liability	699.74

In the previous year, lease payment recognised in the Statement of Profit and Loss for the year as per Ind AS 17 amounted to Rs. 212.84 Lakhs. The company had entered into Lease Rent Agreement for office Premises. The Leasing agreement was cancellable, and renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent.

Notes to the Financial Statements For The Year Ended 31st March 2020

Financial instruments – Fair Values and Risk Management (continued)

(B) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company does not operate in a complex environment and accordingly does not have significant judgements identified over uncertainties in income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions including positions relating to transfer pricing. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have any material impact on the financial statements of the Company.

45 Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019.

The Company monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net debt is defined as total Liabilities, comprising Interest-bearing Loans and Borrowings and obligations under Finance Leases, less Cash and Cash Equivalents. Adjusted Equity Comprises all components of Equity.

PARTICULARS	(Rs. in Lakhs)	
	31 st March, 2020	31 st March, 2019
Total Interest bearing liabilities	26,387.13	32,652.96
Less : Cash and cash equivalent	764.39	177.16
Adjusted net debt	25,622.74	32,475.80
Total equity	99,080.57	83,796.58
Adjusted net debt to adjusted equity ratio	0.26	0.39

46 Sale Of Investment In Subsidiary:

Additional investment in subsidiary:

During the year ended March 31 2019, the Board of Directors of the Company in their meeting held on February 10, 2018 approved further investment Rs. 22,119.66 Lakhs in Redeemable Preference Share (RPS) of Meghmani AgroChemicals Private Limited (MACPL). The RPS were redeemable anytime within a period of 20 years at the option of MACPL and carried coupon rate of 8.00%. The dividend being non-cumulative and declaration of dividend is at the option of MACPL. MACPL acquired 1,76,66,050 (24.97%) shares in Meghmani Finechem Limited (MFL) from International Financial Corporation (IFC) on April 26, 2018 from the investment received from the Company.

Notes to the Financial Statements For The Year Ended 31st March 2020

During the year ended March 31 2019, the Company cancelled the Share Purchase Agreement (SPA) with MACPL on May 19, 2018 considering which risk and rewards on investment in shares of MFL got transferred to MACPL. The Company accounted for sale of investment in MFL adjusting consideration received from MACPL which was accounted as loan. Also gain of Rs. 5,915.29 lakhs on sale of investment in subsidiary was recognised as an exceptional item in the statement of profit and loss.

Merger of subsidiaries:

During the year ended March 31 2019, the Board of Directors of subsidiary companies MFL and MACPL approved merger of MACPL with MFL. As per the scheme of merger, MFL took over all the assets and liabilities of MACPL including its investment in equity shares of MFL. The merger scheme was approved by NCLT on February 11, 2019. The Company, as per the share swap ratio approved in merger scheme, received 21,09,19,871 Optionally Convertible Redeemable Preference Shares (OCRPS) and 22,17,08,925 Non Convertible Redeemable Preference Shares (NCRPS) in MFL on March 5, 2019 for its investment in equity and preference shares in MACPL. The OCRPS and NCRPS issued by MFL were issued as per the following terms:

Particulars	Coupon rate	Tenure	Redeemable/Non-redeemable
OCRPS	8%	Within Twenty Years from the date of issue	Non-cumulative, dividend declaration is subject to approval by board of MFL i.e. issuer. Redeemable or Convertible at any time within a period of 20 years from the date of issue. MFL shall have the right to exercise the option of redemption or conversion. In case redemption does not happen within 20 years, it will be compulsorily converted into 10 equity shares for every 125 OCRPS. OCRPS, if redeemed, will be at face value
NCRPS	8%	Within Five years	Redeemable at any time within a period of 5 years from the date of issue at the option of the holder. NCRPS will be redeemed at face value. Dividend will be paid cumulative however, declaration is at the option of MFL

The NCRPS amounting to Rs. 22,170.89 lakhs were redeemed by the Company on March 8, 2019 along with dividend amounting to Rs. 1,535.56 lakhs. Dividend was paid by MFL with effect from April 26, 2018 which was the date of preference shares issued by MACPL to MOL. The OCRPS were valued at original cost investment in equity shares of MFL plus gain on sale of investment at Rs. 10,986.54 Lakhs.

- 47 Ministry of Agriculture and Farmer Welfare ("MOAFW") vide its notification dated May 14, 2020 has published a draft order called the "Banning of Insecticides Order, 2020, ("Draft Order") wherein 27 insecticide are proposed to be banned for import, manufacture, sale, transport, distribute and use as specified in the schedule to the order from the date of publication to the order. Any objection / suggestion against the said draft order by person affected are to be submitted before the expiry of 45 days from the said order. The proposed ban would possibly affect revenue of certain products of the Company.

Various representations have been made against the said order. Based on the representation received from FICCI, CHEMEXCIL, PMFAI and HIL (India) Limited, Ministry of Chemicals and Fertilizer has filed a response to MOAFW dated June 2, 2020 stating reasons for not banning the products as proposed in the said Draft Order.

Pursuant to above, MOAFW has issued a revised draft by allowing export of these products and also extending the date for submitting objection / suggestion from 45 to 90 days.

On the aforesaid basis, the Company believes that there are several contentions in favour of the entire Agrochemical Industry which are tenable. The Trade and Industry Association leader with the support of every member is in process of preparing convincing representations besides the legal recourse to challenge the said unilateral notification. Accordingly, The Company believes that the draft order will not be sustained and the same will be reversed by MOAFW.

Notes to the Financial Statements For The Year Ended 31st March 2020

48 The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Company were impacted, due to shutdown of plants and offices following nationwide lockdown. The Company continues with its operations in a phased manner in line with directives from the authorities.

The Company has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions there is no material impact and adjustments required on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and its impact, if any

49 Composite Scheme of Arrangement:

The Board of Directors of Company at their meeting held on January 29, 2020, have approved composite scheme of arrangement ("the Scheme") proposing demerger of agro and pigment divisions of Company along with its investment in Optionally Convertible Redeemable Preference Shares ('OCRPS') of Meghmani Finechem Limited (MFL) into a newly incorporated wholly owned subsidiary company Meghmani Organochem Limited. Further, post demerger, as per the composite scheme, the Company along with its trading business and equity investment in its subsidiary company Meghmani Finechem Limited (MFL) shall be merged into MFL. The shareholders of Company will get equity shares of Meghmani Organochem Limited as consideration for demerger as per the share swap ratio defined in the composite scheme. Further, shares held by the Company in MFL (57.16%) shall stand cancelled on merger and the shareholders of holding company will get equity shares of MFL as consideration for merger as per the share swap ratio defined in the composite scheme

The Scheme is subject to shareholders' and regulatory approvals which the Company is in the process of undertaking..

50 Events occurred after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 15th June 2020 there were no material subsequent events to be recognized or reported that are not already disclosed.

51 Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year

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

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 15th June 2020

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

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

Place : Ahmedabad
Date : 15th June 2020

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Organics Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Meghmani Organics Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 47 of the consolidated Ind AS financial statements, as regards the management's evaluation of COVID-19 impact on the on the operation and assets of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2 of the consolidated Ind AS financial statements)	
The Group majorly operates in three segments viz: Agro chemicals, Pigment and Chloro Alkali. Export sales contributes approximately 57% of total sales of the Group. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received in the ordinary course of the Group's activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing of transfer of control and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: • Read and evaluated the Group's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to sales including variable consideration. • Performed sample tests of individual sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection to assess revenue recognition as per the terms of the contract with customers. • Performed tests of samples of transactions near year end date as well as credit notes issued after the year end date. • Read and assessed the relevant disclosures made within the Consolidated Ind AS financial statements.

Information other than the Consolidated Ind AS financial statements and Auditor's report thereon:

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs 77.99 lakhs as at March 31, 2020, and total revenues of Rs 813.75 lakhs and net cash outflows of Rs 162.76 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.
- (b) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs 1,643.05 lakhs as at March 31, 2020, and total revenues of Rs 3,679.57 lakhs and net cash inflows of Rs 11.54 lakhs for the year ended on that date. These financial statement and other financial information have been reviewed by other auditor, which financial statements, other financial information and review reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.
- (c) All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.
- (d) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total assets of Rs Nil as at March 31, 2020, and total revenues of Rs Nil and net cash outflows of Rs Nil for the year ended on that date. These unaudited financial statements and other unaudited financial information have been

INDEPENDENT AUDITOR'S REPORT

furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that :

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 38 to the consolidated Ind AS financial statements;

INDEPENDENT AUDITOR'S REPORT

- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2020.

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

per Sukrut Mehta**Partner****Membership Number: 101974****UDIN: 20101974AAAABC1954****Place of Signature: Ahmedabad****Date: June 15, 2020**

**Annexure to the Independent Auditor's report of even date on the
consolidated Ind AS Financial Statements of Meghmani Organics Limited**

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

In conjunction with our audit of the consolidated Ind AS financial statements of Meghmani Organics Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting Meghmani Organics Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated Ind AS financial statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors

**Annexure to the Independent Auditor's report of even date on these
consolidated Ind AS Financial Statements of Meghmani Organics Limited**

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated Ind AS financial statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta

Partner

Membership Number: 101974

UDIN : 20101974AAAABC1954

Place of Signature: Ahmedabad

Date: June 15, 2020

Consolidated Balance Sheet as at 31st March 2020

(Rs. in Lakhs)

PARTICULARS	Notes	31 st March 2020	31 st March 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	90,636.95	72,504.68
(b) Capital Work-in-Progress	3.2	78,735.60	51,267.31
(c) Other Intangible Assets	3.3	2,009.37	1,152.05
(d) Intangible Assets under development	3.2	438.90	491.27
(e) Financial Assets			
(i) Investments	4	57.21	57.41
(ii) Other Financial Assets	5	1,430.59	1,045.17
(f) Deferred Tax Assets (Net)	20	-	28.06
(g) Income Tax Assets (Net)	6	863.16	1,030.30
(h) Other Non-Current Assets	7	1,838.92	2,964.36
Total Non-Current Assets		1,76,010.70	1,30,540.61
Current Assets			
(a) Inventories	8	35,160.74	41,093.90
(b) Financial Assets			
(i) Trade Receivables	9	53,051.97	43,135.33
(ii) Cash and Cash Equivalents	10	858.95	13,329.63
(iii) Bank Balances other than (ii) above	11	63.35	136.25
(iv) Loans	12	57.15	58.62
(v) Other Financial Assets	13	3,693.90	4,176.66
(c) Income Tax Assets (Net)	6	-	278.85
(d) Other Current Assets	14	4,795.32	4,925.99
Total Current Assets		97,681.38	1,07,135.23
TOTAL ASSETS		2,73,692.08	237,675.84
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	2,543.14	2,543.14
(b) Other Equity	16	1,18,362.85	97,816.89
Equity attributable to Shareholders of the Company		1,20,905.99	1,00,360.03
Non-controlling Interests		18,927.67	14,923.82
Total Equity		1,39,833.66	1,15,283.85
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	47,386.83	45,061.50
(ii) Other Financial Liabilities	18	1,131.33	781.31
(b) Provisions	19	1,302.36	760.25
(c) Deferred Tax Liabilities (Net)	20	3,446.71	5,041.81
Total Non-Current Liabilities		53,267.23	51,644.87
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	18,697.92	20,193.94
(ii) Trade Payables	22	27,473.38	25,614.87
(iii) Other Financial Liabilities	23	28,681.99	21,749.73
(b) Other Current Liabilities	24	3,911.88	1,177.65
(c) Provisions	25	18.17	596.23
(d) Current Tax Liabilities (Net)	26	1,807.85	1,414.70
Total Current Liabilities		80,591.19	70,747.12
Total Liabilities		1,33,858.42	1,22,391.99
TOTAL EQUITY AND LIABILITIES		2,73,692.08	2,37,675.84
Summary of Significant Accounting Policies	2		

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

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP Chartered Accountants

ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta

Partner

Membership No : 101974

Place : Ahmedabad

Date : 15th June 2020

G S Chahal

Chief Financial Officer

K D Mehta

Company Secretary

For And on Behalf of The Board of Directors of

Meghmani Organics Limited

(CIN No-24110GJ1995PLC024052)

J.M.Patel-Executive Chairman (DIN - 00027224)

A.N.Soparkar - Managing Director (DIN - 00027480)

N.M.Patel - Managing Director (DIN - 00027540)

Place : Ahmedabad

Date : 15th June 2020

**Consolidated Statement of Profit and Loss for the
year ended on 31st March 2020**

(Rs. in Lakhs)

PARTICULARS		Notes	For the year ended 31 st March 2020	For the year ended 31 st March 2019
I	Revenue From Operations	27	2,19,118.12	2,08,795.85
II	Other Income	28	5,610.23	3,320.38
III	Total Income (I+II)		2,24,728.35	2,12,116.23
IV	Expenses			
	Cost of Materials Consumed	29	1,12,817.34	1,08,891.28
	Purchase of Stock-in-Trade		3,990.64	5,687.38
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	30	7,071.09	(11,283.36)
	Employee Benefits Expense	31	12,867.23	12,249.03
	Finance Costs	32	4,257.27	5,599.21
	Depreciation and Amortization Expenses	3	8,858.82	9,725.94
	Other Expenses	33	38,961.65	38,804.01
	Total Expenses (IV)		1,88,824.04	1,69,673.49
V	Profit Before Exceptional Items and Tax (III-IV)		35,904.31	42,442.74
VI	Exceptional Items	34	-	1,586.78
VII	Profit Before Tax (V-VI)		35,904.31	40,855.96
VIII	Tax Expenses	20		
	1 - Current Tax		8,340.34	10,654.56
	2 - Adjustment of Tax Relating to Earlier Years		(273.02)	(61.52)
	3 - Deferred Tax Charge / (Credit) (Net)		(1,064.53)	726.20
	Total Tax Expenses (VIII)		7,002.79	11,319.24
IX.	Profit For The Year (VII-VIII)		28,901.52	29,536.72
X.	Other Comprehensive Income	35		
	A (i) Items that will not be reclassified to Profit or Loss in Subsequent periods - Remeasurement gain / (loss) on defined benefit plans		(337.12)	(196.33)
	(ii) Income tax effect on above		88.91	68.61
	B (i) Items that will be reclassified to Profit or Loss in Subsequent periods - Foreign Currency Translation of Foreign Operations		17.04	34.14
	(ii) Income tax effect on above		(4.29)	(11.93)
	Total Other Comprehensive Income / (Loss) For The Year, Net of Tax (X)		(235.46)	(105.51)
XI.	Total Comprehensive Income For The Year (IX + X)		28,666.06	29,431.21
	Profit For the Year Attributable to:			
	Owners of the Company		24,014.64	25,127.25
	Non-Controlling Interests		4,886.88	4,409.47
	Other Comprehensive Income For the Year Attributable to:			
	Owners of the Company		(223.87)	(95.83)
	Non-Controlling Interests		(11.59)	(9.68)
	Total Comprehensive Income For the Year Attributable to:			
	Owners of the Company		23,790.77	25,031.42
	Non-Controlling Interests		4,875.29	4,399.79
XII.	Earnings Per Equity Share (Face Value Per Share - Re 1 Each, 31st March 2019 : Re 1 Each) (In Rs.)	36		
	Basic and Diluted		9.44	9.88
	Summary of Significant Accounting Policies	2		

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

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP Chartered Accountants

ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta

Partner

Membership No : 101974

Place : Ahmedabad

Date : 15th June 2020

G S Chahal

Chief Financial Officer

K D Mehta

Company Secretary

For And on Behalf of The Board of Directors of
Meghmani Organics Limited

(CIN No-24110GJ1995PLC024052)

J.M.Patel-Executive Chairman (DIN - 00027224)

A.N.Soparkar - Managing Director (DIN - 00027480)

N.M.Patel - Managing Director (DIN - 00027540)

Place : Ahmedabad

Date : 15th June 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

PARTICULARS	For the year ended 31 st March 2020	For the year ended 31 st March 2019
A. Cash Flow from Operating Activities		
Profit Before Tax	35,904.31	40,855.96
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and Amortisation Expenses	8,858.82	9,725.94
Unrealised Foreign Exchange (Gain) / Loss (Net)	(2,617.40)	1,128.55
Mark to Market Loss on Derivative (Gain) / Loss (Net)	-	(17.38)
Liability no longer Required written back	(21.30)	(320.89)
Dividend Income	-	(3.75)
Finance cost	4,257.27	5,599.21
Interest Income	(585.58)	(433.61)
Bad Debts Written off	58.61	504.75
Provision for Doubtful Debt	771.97	393.19
Exceptional Item - Loss Due to Fire	-	1,476.78
Sundry Balance Written off	(54.88)	28.50
Profit on Sale of Mutual Funds	(184.86)	(585.83)
Loss on Sale of Property, Plant & Equipment (Net)	144.74	378.38
Operating Profit Before Working Capital Changes	46,531.70	58,729.80
Adjustment for:		
(Increase)/Decrease in Inventories	5,933.17	(14,843.97)
(Increase) in Trade Receivables	(7,762.07)	(7,828.62)
(Increase)/Decrease in Short Term Loans and Advances	1.48	(20.80)
Decrease in Other Current Financial Assets	114.71	2,853.78
(Increase)/Decrease in Other Current Assets	130.67	(216.04)
(Increase)/Decrease in Other Non-Current Financial Assets	(17.03)	16.62
(Increase)/Decrease in Other Non-Current Assets	625.16	(585.15)
Increase in Trade Payables	1,584.42	6,193.48
Increase/(Decrease) in Other Current Financial Liabilities	(1,608.83)	3,300.95
Increase in Other Current Liabilities	2,734.23	140.41
Increase/(Decrease) in Provisions	(373.07)	627.78
Working Capital Changes	1,362.84	(10,361.56)
Cash Generated from Operation	47,894.54	48,368.24
Direct Taxes Paid (Net of Refund)	(7,466.80)	(10,845.18)
Net Cash Generated from Operating Activities	40,427.74	37,523.06
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment	(49,101.58)	(37,798.65)
Proceeds from sale of Property, Plant & Equipment	63.63	181.74
(Investment in) Fixed deposits	(514.50)	(83,925.77)
Redemption of Fixed Deposits	160.26	84,400.00
(Investment)/ Redemption of earmarked balances with Banks	76.69	(100.86)
Interest Received	1,050.23	382.47
Dividend Received	-	3.75
Proceeds from Sale of Non-Current Investments	0.20	
Proceeds from Redemption of Mutual Fund	32,584.86	33,730.72
Investment in Mutual Fund	(32,400.00)	(26,003.08)
Net Cash (Used in) Investing Activities	(48,080.21)	(29,129.68)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

PARTICULARS	For the year ended 31 st March 2020	For the year ended 31 st March 2019
C. Cash Flow from Financing Activities		
Dividend Paid (including Dividend Distribution Tax)	(4,209.98)	(2,967.02)
Finance cost Paid	(5,831.01)	(5,306.36)
Repayment of Finance Lease Liability	(253.34)	-
(Repayment)/Proceeds from Short Term Borrowings	(2,103.62)	12,052.15
Proceeds from Issue of Share Capital to Non Controlling Interest	-	1,500.00
Payment towards Acquisition of Stake from Non Controlling Interest	-	(22,119.66)
Proceeds from Bank Borrowing (Term Loan)	13,197.00	42,613.00
Repayment of Bank Borrowing (Term Loan)	(5,617.26)	(21,261.36)
Net Cash (Used in) / Generated from Financing Activities	(4,818.21)	4,510.75
Net (Decrease)/ Increase in Cash and Cash Equivalent (A+B+C)	(12,470.68)	12,904.13
Cash and Cash Equivalent at the beginning of the period	13,329.63	425.50
Cash and Cash Equivalent at the end of the period	858.95	13,329.63
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	845.20	1,317.72
Fixed Deposit with Bank	-	12,000.00
Cash on Hand	13.75	11.91
Cash and Cash Equivalents (Refer Note 11)	858.95	13,329.63

Notes to the Cash Flow statement for the year ended on 31st March 2020.

1) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

2) Changes in liabilities arising from financing activities

(Rs. in Lakhs)

PARTICULARS	April 1, 2019	Cash flows	Other	March 31, 2020
Current borrowings (Note 22)	20,193.94	(2,103.62)	607.60	18,697.92
Lease liabilities (Note 44)	-	(253.34)	1,392.52	1,139.18
Non- current borrowings (Note 18)	45,061.50	7,579.74	(5,254.41)	47,386.83
Accrued interest (Note 25)	458.84	(458.84)	440.91	440.91
Total liabilities from financing activities	65,714.28	4,763.94	(2,813.38)	67,664.84
				(Rs. in Lakhs)
PARTICULARS	April 1, 2018	Cash flows	Other	March 31, 2019
Current borrowings (Note 22)	8,141.79	12,052.15	-	20,193.94
Non- current borrowings (Note 18)	21,831.23	21,351.64	1,878.63	45,061.50
Accrued interest (Note 25)	72.74	(72.74)	458.84	458.84
Total liabilities from financing activities	30,045.76	33,331.05	2,337.47	65,714.28

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time and effect of Unrealised foreign currency amount on external commercial borrowings.

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

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta

Partner

Membership No : 101974

Place : Ahmedabad

Date : 15th June 2020

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

For And on Behalf of The Board of Directors of
Meghmani Organics Limited
(CIN No-24110GJ1995PLC024052)

J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 15th June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

(a) Equity Share Capital

Particulars	Note	No of Shares	Rs. in Lakhs
Issued, Subscribed and fully paid equity shares of Re.1 each			
Balance as at April 1, 2018		25,43,14,211	2,543.14
Changes during the year	15	-	-
Balance as at March 31, 2019		25,43,14,211	2,543.14
Changes during the year	15	-	-
Balance as at March 31, 2020		25,43,14,211	2,543.14

(b) Other Equity

(Rs. in Lakhs)

Particulars	Other Equity (Refer Note 16)								
	Capital Reserve	Securities Premium	Capital Red-emption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total	Non-controlling Interests	Total other Equity
Balance at April 1, 2018	35.18	15,650.48	184.33	9,755.58	58,945.72	(60.77)	84,510.52	22,136.75	1,06,647.27
Profit for the year	-	-	-	-	25,127.25	-	25,127.25	4,409.47	29,536.72
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(95.83)	-	(95.83)	(9.68)	(105.51)
Total Comprehensive Income for the year	-	-	-	-	25,031.42	-	25,031.42	4,399.79	29,431.21
Transfer to General Reserve	-	-	-	1,500.00	(1,500.00)	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-	34.14	34.14	-	34.14
Dividend Paid	-	-	-	-	(2,543.14)	-	(2,543.14)	-	(2,543.14)
Dividend Distribution Tax	-	-	-	-	(209.10)	-	(209.10)	-	(209.10)
Addition / (Deduction) during the year to NCI (Refer Note 45)	(9,006.95)	-	-	-	-	-	(9,006.95)	(13,112.72)	(22,119.67)
Issue of Shares to NCI (Refer Note 45)	-	-	-	-	-	-	-	1,500.00	1,500.00
Balance at March 31, 2019	(8,971.77)	15,650.48	184.33	11,255.58	79,724.90	(26.63)	97,816.89	14,923.82	1,12,740.71
Profit for the year	-	-	-	-	24,014.64	-	24,014.64	4,886.88	28,901.52
Transfer from NCI on account of payment of Dividend on OCRPS by MFL to Holding company	-	-	-	-	871.45	-	871.45	(871.45)	-
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(223.87)	-	(223.87)	(11.59)	(235.46)
Total Comprehensive Income for the year	-	-	-	-	24,662.22	-	24,662.22	4,003.85	28,666.07
Transfer to General Reserve	-	-	-	1,200.00	(1,200.00)	-	-	-	-
Dividend Paid	-	-	-	-	(3,560.40)	-	(3,560.40)	-	(3,560.40)
Dividend Distribution Tax	-	-	-	-	(572.90)	-	(572.90)	-	(572.90)
Foreign Currency Translation Reserve	-	-	-	-	-	17.04	17.04	-	17.04
Balance at March 31, 2020	(8,971.77)	15,650.48	184.33	12,455.58	99,053.82	(9.59)	1,18,362.85	18,927.67	1,37,290.52

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

AS PER OUR REPORT OF EVEN DATE

FOR SRBC & CO LLP, Chartered Accountants

ICAI Firm Regn. No. 324982E / E300003

Dr. Anurag Sukrut Mehta

Chief Financial Officer

Membership No : 101974

Place : Ahmedabad

Date : 15th June 2020

For and on behalf of the Board of Directors of

Meghmani Organics Limited

(CIN NO-24110GJ1995PLC024052)

J.M.Patel - Executive Chairman (DIN - 00027224)

A.N.Soparkar - Managing Director (DIN - 00027480)

N.M.Patel - Managing Director (DIN - 00027540)

Place : Ahmedabad

Date : 15th June 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

1. Corporate information

The consolidated financial statements comprise financial statements of Meghmani Organics Limited (the company) and its subsidiaries (collectively, the Group) for the year ended 31st March 2020. Meghmani Organics Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India and on Singapore Exchange as well. The registered office of the company is located at Plot no 184 Phase II GIDC, Vatva, Ahmedabad- 382 445, Gujarat, India. The Group is engaged in manufacturing and selling of Pigments, Agrochemicals and Chlor Alkali & its derivatives products. Information on the Group's structure is provided in Note 43.

The consolidated financial statements were authorized by board of directors on June 15, 2020.

2. Significant Accounting Policies

2.1 Basis for Preparation of Accounts

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

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

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

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The proportion of ownership interest in each subsidiary of the parent is as follows :

Name of the Subsidiaries	Country of domicile	Proportion of ownership interest
Meghmani Finechem Limited	India	57.16%
Meghmani Agrochemicals Private Limited (Upto February 11, 2019)	India	100%
Meghmani Organics USA Inc.	USA	100%
PT Meghmani Organics Indonesia	Indonesia	100%
Meghmani Overseas FZE	Dubai	100%
Meghmani Organochem Limited	India	100%

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. The financial statements of the Group are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March 2020.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

2.3 Significant accounting estimates, assumptions and judgements

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

Estimates and assumptions

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

Taxes:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Defined benefit plans (gratuity benefits)

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

Useful economic lives of Property, Plant and Equipment

Property, Plant and Equipment as disclosed in note 2 are depreciated over their useful economic lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised include those that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer accompanying notes for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.3.

Impairment of non- financial assets

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

2.4 Summary of Significant accounting policies

a. Current Vs. Non-Current classification:

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

An asset is treated as current when it is:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A liability is treated as current when it is:

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

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

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

b. Revenue recognition

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

1) Sale of Goods

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

(i) Variable consideration

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

Volume rebates :

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

(ii) Contract assets

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

(a) Trade receivables

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

(iii) Contract liabilities

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

2) Interest Income

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

3) Export Incentives

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

4) Dividend

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

5) Insurance Claims

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

6) Rent income

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

c. Foreign Currencies

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances

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

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

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of on-monetary items measured at fair value is

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treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in statement of profit and loss.

d. Fair Value Measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the board of directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

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

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

e. Property, Plant and Equipment

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the Assets.

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

Items of stores and spares that meet the definition of Property, Plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for Plant and Machinery pertaining to power generating units which are based on independent technical evaluation, the useful life of which has been estimated as 20 years (on single shift basis) which is different from that prescribed in schedule II of the Act. Depreciation is not provided on freehold land. Leasehold land is amortized over the lease period on straight line basis. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Asset	Estimated Useful life
Right to Use - Leasehold Land	99 Years
Building	30 Years
Plant & Machinery	12-15 Years
Power Generating units	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

f. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost includes acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable.

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

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

Research and development costs

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

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

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

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

Assets	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 years
Product licenses	On Straight-line basis	5 years
Usage rights	On Straight-line basis	5 years
Right of Use Asset	On Straght-line-basis	6 years

Intangible assets under development

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

g. Impairment of non- financial assets

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

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

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

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

h. Financial instrument

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

(A) Financial Asset

Initial Recognition and Measurement

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

Debt instruments at amortised cost

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

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

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- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

De-recognition

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

The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these consolidated financial statements)

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

- Trade receivables
- Other receivables

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

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

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

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

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

(B) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Loan and borrowings

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

Trade and other payables

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

Derivatives and hedging activities

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

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of

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an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Off-setting financial instrument

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

i. Inventories

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

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

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

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

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Retirement and other employee benefits

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

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

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

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

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

I. Accounting for taxes on income

Income Tax

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

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

Deferred taxes

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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m. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

n. Contingent liabilities

Provisions are not recognised for future operating losses.

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

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

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

o. Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

Where the Group is the lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 17:

Finance Leases, which effectively transfer to the Group substantially all the risks and rewards incidental to the ownership of lease item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the leased term and disclosed as leased assets.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term since the payment to the lessor are structured in a manner that the increase is not expected to be in line with expected general inflation.

p. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

q. Cash and cash equivalents

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

r. Dividend

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

s. Segment reporting

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

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

Segment Policies:

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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020**Note - 3**

Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets and Intangibles under development as on 31st March 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net					
		Opening	Addition	Deduction / Adjustments*	Adjustments on initial application of IND AS 116	Exchange Rate Fluctuation	Closing	Opening	Charge for the Year	Deduction / Adjustments*	Adjustments on initial application of IND AS 116	Exchange Rate Fluctuation	Closing	As at 31 st March 2020	As at 31 st March 2019
3.1	Tangible Assets														
1	Freehold Land	558.40	-	-	-	-	558.40	-	-	-	-	-	-	558.40	558.40
2	Leasehold Land	4,843.09	-	-	(4,843.09)	-	-	187.47	-	-	(187.47)	-	-	-	4,655.62
3	Right to Use Asset														
	Lease hold land-	-	-	-	4,655.62	-	4,655.62	-	55.55	-	-	-	55.55	4,600.07	-
4	Building	25,912.39	3,063.34	-	-	-	28,975.73	4,298.14	1,108.91	-	-	-	5,407.05	23,568.68	21,614.25
5	Plant & Machinery	72,072.81	22,922.37	306.82	-	-	94,688.36	28,339.31	6,631.20	130.77	-	-	34,839.74	59,848.62	43,733.50
6	Furniture & Fixtures	978.06	113.61	11.04	-	0.68	1,081.31	282.70	92.26	4.88	-	0.68	370.76	710.55	695.36
7	Vehicles	1,515.08	225.95	50.83	-	2.29	1,692.49	555.60	181.88	26.90	-	1.95	712.53	979.96	959.48
8	Computers	169.94	53.67	1.40	-	(0.07)	222.14	94.52	34.24	-	-	(0.07)	128.69	93.45	75.42
9	Other Equipments	393.75	135.95	1.80	-	-	527.90	181.10	70.11	0.53	-	-	250.68	277.22	212.65
	SubTotal	1,06,443.52	26,514.89	371.89	(187.47)	2.90	1,32,401.95	33,938.84	8,174.15	163.08	(187.47)	2.56	41,765.00	90,636.95	72,504.68
3.3	Intangible Assets														
1	Software Licenses	124.36	16.34	-	-	-	140.70	72.51	13.88	-	-	-	86.39	54.31	51.85
2	Product Licenses	2,072.57	85.51	-	-	(1.64)	2,156.44	1,002.06	403.67	-	-	(1.64)	1,404.09	752.35	1,070.51
3	Usage Rights	226.90	142.40	-	-	-	369.30	197.21	53.79	-	-	-	251.00	118.30	29.69
4	Right - of - Use Assets	-	-	-	1,297.74	-	1,297.74	-	213.33	-	-	-	213.33	1,084.41	-
	SubTotal	2,423.83	244.25	-	1,297.74	(1.64)	3,964.18	1,271.78	684.67	-	-	(1.64)	1,954.81	2,009.37	1,152.05
	Total	1,08,867.35	26,759.14	371.89	1,110.27	1.26	1,36,366.13	35,210.62	8,858.82	163.08	(187.47)	0.92	43,719.81	92,646.32	73,656.73

3.2 Capital Work in Progress/Intangibles under Development

(Rs. in Lakhs)

Particulars	Capital work in progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2019	51,267.31	491.27	51,758.58
Addition	30,574.74	90.03	30,664.77
Capitalisation	3,106.45	142.40	3,248.85
As at March 31, 2020	78,735.60	438.90	79,174.50

Capital Work-in-Progress for Tangible Assets as at 31st March 2020 comprises expenditure for the Plant & Machinery and Buildings in the course of construction.

Intangible Assets under development as at 31st March 2020 comprises expenditure for the development and registration of Product Licenses.

Capitalised borrowing costs

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31 March 2020 was Rs. 2,657.81 Lakhs (31st March 2019: Rs. 711.83 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

For property plant & equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS.

The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Note - 3

Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets and Intangibles under development (Rs. in Lakhs)
as on 31st March 2019

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net			
		Opening	Addition	Deduction / Adjustments*	Exchange Rate Fluctuation	Closing	Opening	Charge For the Year	Deduction / Adjustments*	Exchange Rate Fluctuation	Closing	As at 31 st March 2019	As at 31 st March 2018
3.1	Tangible Assets												
1	Freehold Land	558.40	-	-	-	558.40	-	-	-	-	-	558.40	558.40
2	Leasehold Land	4,560.47	341.91	59.29	-	4,843.09	133.65	55.37	1.55	-	187.47	4,655.62	4,426.82
3	Building	25,609.28	562.28	259.17	-	25,912.39	3,216.87	1,114.72	33.45	-	4,298.14	21,614.25	22,392.41
4	Plant & Machinery	69,764.08	3,991.36	1,682.63	-	72,072.81	21,283.87	7,747.52	692.08	-	28,339.31	43,733.50	48,480.21
5	Furniture & Fixtures	961.05	24.85	8.35	0.51	978.06	186.39	98.98	3.18	0.51	282.70	695.36	774.66
6	Vehicles	1,410.16	134.44	30.92	1.40	1,515.08	398.49	169.24	13.08	0.95	555.60	959.48	1,011.67
7	Computers	135.53	34.96	0.69	0.14	169.94	67.91	26.71	0.23	0.13	94.52	75.42	67.62
8	Other Equipments	338.71	55.21	0.22	0.05	393.75	117.02	65.14	-	(1.06)	181.10	212.65	221.69
	Sub Total	1,03,337.68	5,145.01	2,041.27	2.10	1,06,443.52	25,404.20	9,277.68	743.57	0.53	33,938.84	72,504.68	77,933.48
3.3	Intangible Assets												
1	Software Licenses	78.33	46.03	-	-	124.36	60.71	11.80	-	-	72.51	51.85	17.62
2	Product Licenses	2,071.54	-	-	1.03	2,072.57	604.12	395.83	-	2.11	1,002.06	1,070.51	1,467.42
3	Usage Rights	226.94	-	0.04	-	226.90	156.58	40.63	-	-	197.21	29.69	70.36
4	Right-of-Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total	2,376.81	46.03	0.04	1.03	2,423.83	821.41	448.26	-	2.11	1,271.78	1,152.05	1,555.40
	Total	1,05,714.49	5,191.04	2,041.31	3.13	1,08,867.35	26,225.61	9,725.94	743.57	2.64	35,210.62	73,656.73	79,488.88

* Includes Following assets lost due to fire. (Refer Note 34)

(Rs. in Lakhs)

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

3.2 Capital Work In Progress/Intangibles under development

Particulars	Capital Work In Progress (Rs. in Lakhs)		
	Tangible	Intangible	Total
Cost			
As at March 31, 2018	7,469.51	2,871.85	10,341.36
Addition	43,200.62	259.74	43,460.36
Assets Lost due to Fire	224.46	-	224.46
Reclassification of Assets	2,600.00	(2,600.00)	-
Capitalisation	1,778.36	40.32	1,818.68
As at March 31, 2019	51,267.31	491.27	51,758.58

Capital Work-in-Progress for Tangible Assets as at 31st March 2019 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

Intangible Assets under development as at 31st March 2019 comprises expenditure for the development and registration of Product Licenses.

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2019 was Rs.711.83 Lakhs (31 March 2018: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for qualifying assets.

For property plant & equipment existing as on 1 April 2015 i.e. the date of transition to IndAS, the group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under IndAS. The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Notes: - Addition to Research and Development assets for the year 31 March 2020: (Rs. in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net	
		Opening	Addition	Deduction	Closing	Opening	Charge For the Year	As at 31 st March 2020	As at 31 st March 2019
	Tangible Assets								
1	Building	17.03	6.68	-	23.71	0.81	0.48	22.42	16.22
2	Plant & Machinery	225.43	38.33	0.15	263.61	71.06	23.89	168.66	154.37
3	Furniture & Fixtures	15.85	32.23	-	48.08	13.30	1.32	33.46	2.55
4	Computers	5.07	0.58	0.10	5.55	3.23	1.22	1.10	1.84
5	Other Equipments	4.91	4.07	0.03	8.95	1.71	0.95	6.29	3.20
	Sub Total	268.29	81.89	0.28	349.90	90.11	27.86	231.93	178.18
	Intangible Assets								
1	Product Licenses	52.96	-	-	52.96	52.96	-	-	-
	Sub Total	52.96	-	-	52.96	52.96	-	-	-
	Total	321.25	81.89	0.28	402.86	143.07	27.86	231.93	178.18

Notes: - Addition to Research and Development assets for the year 31 March 2019 : (Rs. in Lakhs)

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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
4 FINANCIAL ASSETS : INVESTMENTS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Investment at fair value through Other Comprehensive Income		
(I) Investments in Equity Shares (Unquoted)		
(i) 4 (31st March 2019 - 4) Equity Shares of Alaukik Owners Association of Rs.100/- each #	0	0
(ii) 5,17,085 (31st March 2019 - 5,17,085) Equity Shares of Narmada Clean Tech of Rs.10/- each	51.71	51.71
(iii) 14,000 (31st March 2019 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of Rs.10/- each	1.40	1.40
(iv) 500 (31st March 2019 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of Rs.10/- each	0.05	0.05
(v) 30,000 (31st March 2019 - 30,000) Equity Shares of Panoli Enviro Technology of Rs.10/- each	3.00	3.00
(vi) 100 (31st March 2019 - 100) Equity Shares of Sanand Eco Project Limited of Rs.10/- each	0.01	0.01
(vii) 2,000 (31st March 2019 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of Rs.50/- each	1.00	1.00
(viii) 10 (31st March 2019 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of Rs.50/- each	0.01	0.01
Total (I)	57.18	57.18
Investment at Amortised Cost		
(II) Investments in Government Securities (Unquoted)		
National Savings Certificates	0.03	0.23
Total (I+II)	57.21	57.41

Note - # Amount is less than 0.01 Lakhs

(Rs. in Lakhs)

PARTICULARS	31 st March 2020	31 st March 2019
Aggregate Value Of Investments in unquoted Investments	57.41	57.41

Note - i) Aggregate and Fair value of Quoted investment is Rs Nil

ii) Aggregate value of impairment of Investment is Rs Nil

5 OTHER FINANCIAL ASSETS (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Security Deposits	712.59	678.97
Bank Deposits with original maturity of more than 12 months (including interest accrued) (Refer Note below)	718.00	366.20
TOTAL	1,430.59	1,045.17

Note:

Margin money deposits amounting Rs. 718.00 Lakhs are given as security against guarantees with Banks (31st March 2019 - Rs. 366.20 Lakhs). These deposits are made for varying periods of 1 year to 10 years and earns interest ranging between 6.00% to 7.25%.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
6 INCOME TAX ASSETS (NET)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Non-current		
Advance payment of Income Tax (Net of Provision)	863.16	1,030.30
TOTAL	863.16	1,030.30
Current		
Advance payment of Income Tax (Net of Provision)	-	278.85
TOTAL	-	278.85

7 OTHER NON-CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Capital Advances	1,452.45	1,952.73
Balances with Government Authorities (Amount Paid Under Protest)	386.47	1,011.63
TOTAL	1,838.92	2,964.36

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

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Raw Materials	8,834.00	9,458.06
Raw Materials in Transit	1,270.15	373.18
Work In Process	1,319.76	1,376.51
Finished Goods	11,351.80	11,062.41
Finished Goods in Transit	7,396.96	14,914.45
Stock in Trade	960.60	746.84
Stores and Spares	3,142.28	2,205.94
Others (Packing Material and Fuel Stock)	885.19	956.51
TOTAL	35,160.74	41,093.90

Note :

During the previous year, the Group had written off inventory amounting to Rs. 523.98 Lakhs which was destroyed in fire. The same was disclosed in the statement of profit and loss under exceptional item. Refer Note 34.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

9 TRADE RECEIVABLES

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Trade receivables		
Secured, Considered Good	465.47	340.20
Unsecured, Considered Good	52,586.50	42,795.13
Trade receivables which have significant increase in credit risk	430.34	-
Trade receivables - credit impaired	982.44	619.91
	54,464.75	43,755.24
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	(430.34)	-
Trade receivables - credit impaired	(982.44)	(619.91)
TOTAL	53,051.97	43,135.33

Trade receivable are secured to the extent of deposit received from the customers.

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

For amounts due and terms and conditions relating to related party receivables, Refer Note 40.

For information about Credit Risk and Market Risk related to Trade Receivables, please Refer Note 41

10 CASH AND CASH EQUIVALENTS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Balance with Banks		
- on Current Accounts	845.20	1,317.72
- Deposits with original maturity of less than three months (Refer Note below)	-	12,000.00
Cash on Hand	13.75	11.91
TOTAL	858.95	13,329.63

Note :

Deposits are made for varying periods of between 60 days to 90 days and earns interest ranging between 6.90% to 7.75%.

11 OTHER BANK BALANCES

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Bank Deposits with original maturity of more than three months but less than twelve months (Refer Note below)	17.08	13.29
Earmarked balances For Unclaimed Dividend	46.27	122.96
TOTAL	63.35	136.25

Note : Deposits amounting Rs. 17.08 Lakhs are given as security against bank guarantees (31st March 2019 - Rs. 13.29 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 6.25% to 7.00%.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

12 LOANS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Loan to Employees (Refer Note below)	57.15	58.62
TOTAL	57.15	58.62

Notes:

The loans to employees are interest free and are generally for a tenure of 6 to 12 months.

Since all the above loans given by the Group are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 viz: a) secured, b) loans which have significant increase in credit risk and c) credit impaired is not applicable.

13 OTHER FINANCIAL ASSETS (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Export Benefit Receivable	2,000.13	2,419.83
Interest Accrued on Deposits with Banks and Others	0.93	368.97
Security Deposit	26.52	31.27
Balance with Government Authorities (GST Refund)	1,666.32	1,356.59
TOTAL	3,693.90	4,176.66

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14 OTHER CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Unsecured, Considered Good		
Balance with Government Authorities (Refer Note below)	3,014.56	3,406.49
Advances to Suppliers	690.52	311.68
Advances to Employees	5.53	9.33
Prepaid Expenses	878.38	989.11
Export Benefit Receivable	45.13	63.96
Others	161.20	145.42
Unsecured, Considered Doubtful		
Advances to Suppliers	-	20.90
Allowance for Doubtful Advances	-	(20.90)
TOTAL	4,795.32	4,925.99

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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

15 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity Shares of Re. 1 each.		
As at 1st April 2018	37,00,00,000	3,700.00
Increase/(Decrease) during the year	-	-
As at 31st March 2019	37,00,00,000	3,700.00
Increase/(Decrease) during the year	-	-
As at 31st March 2020	37,00,00,000	3,700.00

ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity Shares of Re. 1 each.	25,43,14,211	2,543.14

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

PARTICULARS	No. of shares	Rs. in Lakhs
As at 1st April 2018	25,43,14,211	2,543.14
Increase/(Decrease) during the year	-	-
As at 31st March 2019	25,43,14,211	2,543.14
Increase/(Decrease) during the year	-	-
As at 31st March 2020	25,43,14,211	2,543.14

Terms / Rights attached to Equity shares

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

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

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

PARTICULARS	As at 31st March 2020		As at 31st March 2019	
	No. of shares	% holding	No. of shares	% holding
DBS Nominees (P) Ltd.	1,28,49,340	5.05%	1,28,92,190	5.07%
Mr. Jayanti Patel	1,80,24,390	7.09%	1,80,24,390	7.09%
Mr. Ashish Soparkar	2,52,14,296	9.91%	2,47,85,628	9.75%
Mr. Natwarlal Patel	2,07,39,850	8.16%	2,07,39,850	8.16%
Mr. Ramesh Patel	1,58,85,567	6.25%	1,56,60,689	6.16%
Total	9,27,13,443	36.46%	9,21,02,747	36.22%

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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
Distribution made and proposed

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Cash dividends on Equity shares declared and paid:		
Final dividend for 31 March 2019: Rs. 0.40 per share (31 March 2018: Rs. 0.40 per share)	1,017.26	1,017.26
DDT on Final Dividend	209.10	209.10
Interim Dividend for 31 March 2020: Rs 1.00 per share (31 March 2019: Rs 0.60 per share)	2,543.14	1,525.88
DDT on Interim Dividend	16.94	-
Proposed dividends on Equity shares:		
Proposed cash dividend for 31 March 2020: Rs. Nil per share (31 March 2019: Rs. 0.40 per share)	-	1,017.26
DDT on Proposed Dividend	-	209.10

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
16 OTHER EQUITY

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
(1) Securities Premium		
Balance as at the beginning of the year	15,650.48	15,650.48
Balance as at the end of the year	15,650.48	15,650.48
(2) Capital Reserve		
Balance as at the beginning of the year	(8,971.77)	35.18
Less : Acquisition of Stake from Non-controlling Interest (NCI) (Refer Note 45)	-	(9,006.95)
Balance as at the end of the year	(8,971.77)	(8,971.77)
(3) General Reserve		
Balance as at the beginning of the year	11,255.58	9,755.58
Add : Transferred from Retained Earning	1,200.00	1,500.00
Balance as at the end of the year	12,455.58	11,255.58
(4) Capital Redemption Reserve		
Balance as at the beginning of the year	184.33	184.33
Balance as at the end of the year	184.33	184.33
(5) Currency Translation Reserve		
Balance as at the beginning of the year	(26.63)	(60.77)
Add : Addition during the year	17.04	34.14
Balance as at the end of the year	(9.59)	(26.63)
(6) Retained Earning		
Balance as at the beginning of the year	79,724.90	58,945.72
Add : Adjustment to NCI on account of payment of Dividend on OCRPS by MFL to Holding company "	871.45	-
Add : Profit for the year	24,014.64	25,127.25
Add : Other Comprehensive Income for the Year (Net)	(223.87)	(95.83)
	1,04,387.12	83,977.14
Less : Appropriation		
Transfer to General Reserve	1,200.00	1,500.00
Dividend Paid	3,560.40	2,543.14
Dividend Distribution Tax	572.90	209.10
Balance as at the end of the year	99,053.82	79,724.90
TOTAL	1,18,362.85	97,816.89

Nature and purpose of Reserves :
Securities premium

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

Capital Reserve

The Capital Reserve includes amount paid in excess of the value of investment at the time of conversion and restructuring of stake holding of non controlling interest.

General Reserve

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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Capital Redemption Reserve

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

Hedge Reserve

Hedge Reserve is created to the extent hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in Other Comprehensive Income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

17 BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
SECURED		
Term Loan Facilities from Banks and Financial Institutions:		
In Indian Currency (Refer Note - i and iv(ii) below)	36,348.20	37,448.64
In Foreign Currency (Refer Note - ii, iii and iv (i) below)	23,961.60	13,981.05
TOTAL	60,309.80	51,429.69
Current maturity of long term borrowing clubbed under 'current financial liabilities (Refer Note 23)	12,922.97	6,368.19
Total non-current borrowing	47,386.83	45,061.50
The above amounts includes:		
Secured borrowing	47,386.83	45,061.50
Unsecured borrowing	-	-

Refer Note No - 41 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

- i The Holding Company has Rupee Term Loan facility of Rs. 3,000.00 Lakhs. The facility is secured by First Pari Passu charge on specific movable and immovable fixed assets of the Holding Company. Loan is repayable in 20 Quarterly installments of Rs. 150.00 Lakhs each commencing from 30th April 2016 and interest rate is linked to one year MCLR with monthly rests. Interest rate was in the range of 8.15 % to 8.75% during the year (31 March 2019: 8.20% to 8.75%). The outstanding amount of loan as at March 31, 2020 is Rs. 600.00 Lakhs (as at March 31, 2019: Rs. 1,200.00 Lakhs).
- ii The Holding Company has Rupee Term Loan facility of Rs. 10,675.00 Lakhs (31 March 2019: Rs. 10,675.00 Lakhs). The facility is secured by First charge on all the Holding Company's movable and immovable fixed assets and exclusive charge on specific movable and immovable fixed assets. The loan carries floating interest rate linked to one year MCLR plus spread of 70 bps with monthly rests. Interest rate was in the range of 8.85% to 9.20% (31 March 2019: 8.20% to 8.85%).

During the year outstanding India Rupee loan of Rs 2,336.79 Lakhs has been converted into foreign currency loan of Euro 29.26 Lakhs. The borrowing carries interest at 3 months Euribor + 3.25% payable at monthly rest. Outstanding balance for this borrowing is Euro 22.85 Lakhs equivalent to Rs 1,891.66 Lakhs (as at 31 March 2019: Rs 3,875 Lakhs). As per the original terms, the loan is repayable in 26 quarterly installment starting 31 December 2015 and ending on 31 March 2022.

Repayment of loan is as follows :
 - 1 Two quarterly instalments of Rs. 325.00 Lakhs each starting from 31.12.2015
 - 2 Fifteen quarterly instalments of Rs. 512.50 Lakhs each starting from 30.06.2016
 - 3 Two quarterly instalments of Euro 6.42 Lakhs each starting from 31.03.2020
 - 4 Seven quarterly instalments of Euro 2.35 Lakhs each starting from 30.09.2020

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

- iii The Holding Company has Rupee Term Loan facility of Rs. 9,200.00 Lakhs (31 March 2019: Rs. 9,200.00 Lakhs). The Facility is secured by (a) Exclusive Charge on Windmill (b) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Holding Company (c) Assignment of Lease Hold Land used for Windmill (d) First Pari Passu charge by way of mortgage on immovable fixed assets of the Holding Company (excluding the assets charged specifically to other lenders).

During the year outstanding India Rupee loan of Rs 6,899.23 Lakhs has been converted into foreign currency loan of Euro 87.41 Lakhs. The borrowing carries interest at 6 month Euribor + 1.75% p.a. payable at monthly rest. Outstanding balance for this borrowing is Euro 87.41 Lakhs equivalent to Rs 7,234.88 Lakhs (as at 31 March 2019: Rs 7,666.67 Lakhs). As per the original terms, the loan is repayable in 12 half yearly starting from financial year 2018-19:

Repayment of loan is as follows :

- 1 Three half yearly installment of Rs 766.67 Lakhs
- 2 Nine half yearly installment of Euro 9.71 Lakhs

- iv (i) The Subsidiary Company Meghmani Finechem Limited (MFL) has taken External Commercial Borrowing of Euro 180.00 Lakhs equivalent to Rs 14,400.00 Lakhs from Standard Chartered Bank to finance the capital expenditure plans of the company. Outstanding balance for this borrowing is Euro 180.00 Lakhs equivalent to Rs 14,898.60 Lakhs (31st March 2019: Rs. 13,981.05 Lakhs). The borrowing is secured by first pari passu mortgage charge on all immovable properties of MFL, first pari passu hypothecation charge over all the moveable assets of MFL. The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests. MFL has entered into Interest Rate Swap ('IRS') agreement with the bank for a fixed interest @ 1.85% p.a. and hedging of the foreign exchange rate whereby MFL will pay additional interest @ 4.95% p.a. The effective interest rate after considering basic interest rate and interest for hedging is 6.80%. The borrowing is repayable in 15 quarterly installments of Euro 12 Lakhs each, starting from July 3, 2020.

- ii) The Subsidiary Company Meghmani Finechem Limited (MFL) has availed following Rupee Term Loan facilities for capital expansion purpose:

- 1) Term loan amounting Rs. 11,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloromethane plant. Outstanding balance for this facility is Rs. 8,250 lakhs (31st March 2019: Rs. 10,450 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus spread (to be set every year) payable on monthly rest. The interest rate for the current year remained @ 8.70%. (31st March 2019: 8.40%). The Term Loan is repayable in 20 quarterly installments of Rs 550.00 Lakhs each and repayment started from 9th March 2019.
- 2) Term loan amounting Rs. 15,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Caustic Soda lye plant and 36 MW Power Plant. Outstanding balance for this facility is Rs. 15,000 Lakhs (31st March 2019: Rs. 7,500 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate is 8.15%. (31st March 2019: 8.75%) The term loan is repayable in 18 quarterly installments of Rs 833.33 Lakhs each starting from 1st November, 2020.
- 3) Term loan amounting Rs. 12,500 Lakhs from Federal Bank Limited for capital expenditure toward setting up of New Hydrogen Peroxide Plant. Outstanding balance for this facility is Rs. 12,500 Lakhs (31st March 2019: Rs. 6,803 Lakhs). The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate is 6.64%(31st March 2019: 8.25%). The Term Loan is repayable in 19 quarterly installments of Rs 657.89 Lakhs each starting from 29th September, 2020.
- 4) The Rupee Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of MFL, first pari passu hypothecation charge over all the moveable assets of MFL and Intangible, revenues of whatsoever nature and uncalled Capital of MFL, both present and future.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

(iii) MFL has executed an Indenture of Mortgage with Lenders of these term loans (Secured Parties) by creating mortgages on Immovable Properties of the Company by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the Company, both present and future.

- v Bank loans availed by the Group are subject to certain covenants relating to interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and return on Property, Plant and Equipment.

18 OTHER FINANCIAL LIABILITIES (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Mark to market derivative liabilities (on interest rate swap and cross currency swap valued at fair value through profit and loss)	157.80	781.31
Finance Lease Obligation (Refer Note No 42)	973.53	-
TOTAL	1,131.33	781.31

19 PROVISIONS (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Provision for Employee Benefits		
Gratuity (Refer Note 37)	1,186.53	675.69
Leave Encashment	115.83	84.56
TOTAL	1,302.36	760.25

20. TAX EXPENSE
(a) Amounts recognised in Profit and Loss

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Income Tax	8,340.34	10,654.56
Adjustment to tax related to earlier periods	(273.02)	(61.52)
Deferred tax relating to origination & reversal of temporary differences	(1,064.53)	726.20
Tax expense for the year	7,002.79	11,319.24

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
(b) Amounts recognised in Other Comprehensive Income

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to Profit or Loss:		
Remeasurement gain / (loss) on defined benefit plans		
Before Tax	(337.12)	(196.33)
Tax Amount	88.91	68.61
Net of Tax	(248.21)	(127.72)
Items that will be reclassified to Profit or Loss:		
Foreign Currency Translation of Foreign Operations		
Before Tax	17.04	34.14
Tax Amount	(4.29)	(11.93)
Net of Tax	12.75	22.21

(c) Reconciliation of Effective Tax Rate

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax	35,904.31	40,855.96
Enacted Tax Rate in India (31 March 2020: 25.17% and 31 March 2019: 34.94%)	9,036.40	14,276.71
Adjustments		
Income exempt from income taxes (u/s 10A & 80IA)	(1,495.99)	(2,401.08)
Revaluation of Deferred tax liabilities due to change in Tax Rate (Refer Note Below)	(1,143.88)	(134.08)
Effect of differential tax rate of subsidiaries (Refer Note Below)	679.82	-
Adjustment for Tax of Prior Periods	(273.02)	(61.52)
Others	199.46	(360.79)
Total	7,002.79	11,319.24
Effective Tax Rate	19.50%	27.71%

Note: The Holding Company has elected to exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Holding Company has recognized the provision for income tax for the year ended March 31, 2020 and remeasured its deferred tax basis the rate prescribed in the aforesaid section. The consequent impact of remeasurement of deferred tax amounting to INR 1,143 Lakhs is accounted during the year ended March 31, 2020. The material Subsidiary Company (Meghmani Finechem Limited) incorporated in India has not elected to exercise the option permitted under Section 115BBA and has continued making provision for income tax at the existing tax rates for the year ended March 31, 2020.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
(d) Movement in Deferred Tax balances for the year ended March 31, 2020
(Rs. in Lakhs)

Particulars	Net Balance April 1, 2019	Recognised in Profit or Loss	Recognised in OCI	Other (Including adjustment of tax pertaining to earlier periods)	Net	Deferred Tax Asset as at March 31, 2020	Deferred Tax Liability as at March 31, 2020
Deferred tax asset							
Property, Plant and Equipment	(7,830.14)	(334.07)	-	-	(8,164.21)	-	(8,164.21)
Loans and Borrowings (Including Derivative)-	110.77	(1.71)	-	-	109.06	109.06	-
Trade Receivables	223.92	131.65	-	-	355.57	355.57	-
DTA on stock reserve	41.70	50.56	-	-	92.26	92.26	-
Employee Benefits	405.17	(124.21)	88.91	-	369.87	369.87	-
Investment	(21.41)	-	-	-	(21.41)	-	(21.41)
Tax Credit (MAT)	1,879.85	1,274.12	-	417.89	3,571.86	3,571.86	-
Others	176.39	63.90	-	-	240.29	240.29	-
Currency Translation Reserve	-	4.29	(4.29)	-	-	-	-
Tax Assets/ (Liabilities)	(5,013.75)	1,064.53	84.62	417.89	(3,446.71)	4,738.91	(8,185.62)
Set off						(4,738.91)	4,738.91
Net Tax Assets / (Liabilities)						-	(3,446.71)

* Adjustment of increase in current tax pertaining to earlier years amounting to Rs. 417.88 lakhs leading to corresponding increase in MAT credit entitlement amounting to Rs. 417.88 lakhs. Accordingly, no impact on net amount of adjustment of tax relating to earlier periods for the year ended 31 March, 2020.

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

Particulars	Net Balance April 1, 2018	Recognised in Profit or Loss	Recognised in OCI	Other	Net	Deferred tax Asset as at March 31, 2019	Deferred Tax Liability as at March 31, 2019
Deferred tax asset							
Property, Plant and Equipment	(8,968.10)	1,137.96	-	-	(7,830.14)	-	(7,830.14)
Loans and borrowings (Including Derivative)	(48.83)	159.60	-	-	110.77	110.77	-
Trade Receivables	78.47	145.45	-	-	223.92	223.92	-
DTA on stock reserve	52.81	(11.11)	-	-	41.70	41.70	-
Employee benefits	312.54	24.02	68.61	-	405.17	405.17	-
Investment	(65.74)	44.33	-	-	(21.41)	-	(21.41)
Tax Credit (MAT)	4,461.44	(2,540.73)	-	(40.86)	1,879.85	1,879.85	-
Others	(125.96)	302.35	-	-	176.39	176.39	-
Currency Translation Reserve	-	11.93	(11.93)	-	-	-	-
Tax Assets/ (Liabilities)	(4,303.37)	(726.20)	56.68	(40.86)	(5,013.75)	2,837.80	(7,851.55)
Set off						(2,809.74)	2,809.74
Net Tax Assets / (Liabilities)						28.06	(5,041.81)

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
21 BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Secured Loans		
Loans Repayable on Demand		
Cash Credit, Packing Credit and Working Capital Demand Loan accounts (Refer Note below)		
From Banks - In Indian Currency	3,990.43	10,395.13
From Banks - In Foreign Currency	11,338.75	9,798.81
Unsecured Loans		
From Banks - In Foreign Currency	3,368.74	-
TOTAL	18,697.92	20,193.94

Details of Security and Repayment Terms :

- i The Holding Company has availed Cash credit, packing credit and working capital demand loans of Rs 40,000 Lakhs (31 March 2019: Rs 40,000 Lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers). The present consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:
 - (a) Interest rates on cash credit loans vary within the range of 9.50 % to 10.50% (31 March 2019: 9.20% to 10.50%).
 - (b) Interest rates on packing credit loans vary within the range of USD Libor +1.25% to 2.00% and Euribor+ 0.75% to 2.70% (31 March 2019: Libor +1.5% to 2.70%).
 - (c) Interest rates on working capital demand loans vary within the range of 8.35% to 9.20% (31 March 2019: 8.05% to 8.60%).
- ii The Subsidiary Company Meghmani Finechem Limited (MFL) has availed Working Capital Facility of Rs. 13,350 Lakhs (31st March 2019: Rs. 13,3500 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited Rs. 7,100 Lakhs, Standard Chartered Bank Rs. 3,000 Lakhs and HDFC Bank Ltd. Rs.. 3,250 Lakhs.
 The entire facility is Secured by first pari passu charge on all the Current Assets of the Company, both present and future.
 Rate of interest stipulated by ICICI Bank Limited is sum of I-base and "Spread" per annum, subject to minimum rate of 6 Month MCLR +0.6% p.a. plus applicable interest taxes or other statutory levy, if any, on the principal amount remains outstanding each day.
 Interest rate for the year ranges between 8.70% to 9.10% (31st March 2019: 9.65%).
 Rate of interest stipulated by Standard Chartered Bank is Monthly MCLR + applicable margin. Interest rate for the year ranges between 8.85% to 9.45% (31st March 2019: 9.50% to 9.65%)
 Rate of interest stipulated by HDFC Bank Limited is as per prevailing 1 year MCLR + monthly applicable margin.
 Interest rate for the ranges between @ 8.35% to 9.25% (31st March 2019: 9.30% to 9.45%).
- iii Bank loans availed by MFL are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipment.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

22 TRADE PAYABLE

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Trade Payables	27,473.38	25,614.87
TOTAL	27,473.38	25,614.87

Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with related parties, Refer Note 40, Also Refer Note 41 for Group's credit risk management processes.

23 OTHER FINANCIAL LIABILITIES (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Financial liabilities carried at amortised cost		
Current maturities of Non Current Borrowings (Refer Note 17)	12,922.97	6,368.19
Interest accrued but not due on borrowings	440.91	458.84
Employee Benefit Payable	2,926.14	4,905.00
Lease Liability (Refer Note No 42)	165.65	-
Unclaimed Dividend	46.27	122.96
Payable for retention money	62.22	47.92
Payables for Capital Goods	8,463.40	6,562.42
Security Deposits Payable	884.40	656.81
Expenses Payable	2,770.03	2,627.59
TOTAL	28,681.99	21,749.73

24 OTHER CURRENT LIABILITIES

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Advance from Customers	3,381.05	817.06
Statutory Dues Payable	530.83	360.59
TOTAL	3,911.88	1,177.65

25 PROVISIONS (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Provision for Amount paid under Dispute (MEIS)	-	585.33
Provisions for Employee Benefits		
Leave Encashment	18.17	10.90
TOTAL	18.17	596.23

26 CURRENT TAX LIABILITIES (NET)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Current Tax Payable (Net)	1,807.85	1,414.70
TOTAL	1,807.85	1,414.70

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

27 REVENUE FROM OPERATIONS

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Revenue From Operations		
i - Manufactured Goods	2,07,660.94	1,94,016.58
ii - Traded Goods	7,863.24	11,218.41
Total Revenue From Operations	2,15,524.18	2,05,234.99
Other Operating Revenue		
i - Export benefits and other incentives	3,313.25	3,412.79
ii - Scrap Sales	280.69	148.07
Total Other Operating Revenue	3,593.94	3,560.86
TOTAL	2,19,118.12	2,08,795.85

27.1 Disaggregated revenue information

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Type of goods		
Pigments	64,056.36	60,480.23
Agro Chemicals	97,340.43	79,049.27
Chloro Alkali & Its Derivatives	60,978.03	71,039.30
Others (Merchant Trading)	5,561.86	7,997.77
Total revenue from contracts with customers	2,27,936.68	2,18,566.57
Less - Inter-segment Sales	8,818.56	9,770.72
Total revenue from contracts with customers	2,19,118.12	2,08,795.85
Geographical location of customer		
India	93,357.66	96,904.67
Outside India	1,25,760.46	1,11,891.18
Total revenue from contracts with customers	2,19,118.12	2,08,795.85
Timing of revenue recognition		
Goods transferred at a point in time	2,19,118.12	2,08,795.85
Total revenue from contracts with customers	2,19,118.12	2,08,795.85

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

27.2 Contract Assets and Contract Liabilities

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Trade Receivables	53,051.97	43,135.33
Advance from customers	3,381.05	817.06

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extent of deposit received from the customers. In March 2020, Rs.1,412.78 Lakhs (March 2019: Rs.619.91 Lakhs) was recognised as provision for expected credit losses on trade receivables

Contract liabilities includes short term advance received for sale of products. There is no significant movement of during the year.

27.3 Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Revenue as per contracted price	2,23,138.93	2,11,612.76
Adjustments		
Sales return	(1,034.13)	(739.29)
Trade and Cash Discount	(2,500.22)	(1,702.33)
Commission	(486.46)	(375.29)
Revenue from contract with customer	2,19,118.12	2,08,795.85

27.4 Performance obligation

Information about the Group's performance obligations are summarised below:

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

27.5 Information about major customers

No single customer represents 10% or more of the Group's total revenue during the year ended 31 March 2020 and 31 March 2019.

28 OTHER INCOME

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Interest Income on :		
- Bank Deposits	28.97	183.32
- Others	556.61	250.29
Dividend Income	-	3.75
Fair Value Gain on Derivative Instruments held at Fair Value Through Profit or Loss	-	17.38
Net Gain on Foreign Currency transactions and translation	4,565.64	1,812.23
Liabilities No Longer Required Written Back	55.10	320.88
Fair Value Gain on Mutual Funds held at Fair Value Through Profit or Loss	184.86	585.83
Miscellaneous Income	219.05	146.70
TOTAL	5,610.23	3,320.38

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
29 COST OF MATERIALS CONSUMED

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Pigments	31,195.56	34,921.41
Agro Chemicals	53,756.24	53,033.20
Basic Chemical	27,865.54	20,936.67
TOTAL	1,12,817.34	1,08,891.28

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

30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
(A) Inventories at the beginning of the year		
(i) Finished Goods	11,062.41	6,494.75
(ii) Finished Goods in Transit	14,914.45	8,574.23
(iii) Stock in Trade	746.84	632.36
(iv) Work-in-Process (WIP)	1,376.51	1,115.51
TOTAL (A)	28,100.21	16,816.85
(B) Inventories at the end of the year		
(i) Finished Goods	11,351.80	11,062.41
(ii) Finished Goods in Transit	7,396.96	14,914.45
(iii) Stock in Trade	960.60	746.84
(iv) Work-in-Process (WIP)	1,319.76	1,376.51
TOTAL (B)	21,029.12	28,100.21
Total Changes in Inventories (A - B)	7,071.09	(11,283.36)

31 EMPLOYEE BENEFIT EXPENSE

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Salary, Wages and Bonus	9,757.57	9,353.14
Directors Remuneration (Including Contribution to Provident Fund) (Refer Note 40)	1,808.24	1,888.46
Contribution to Provident and Other Funds (Refer Note 37)	594.23	451.95
Staff Welfare Expenses	707.19	555.48
TOTAL	12,867.23	12,249.03

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
32 FINANCE COST

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Interest expense on :		
Term Loans	1,438.07	2,448.50
Cash Credit and Working Capital Demand Loan	1,796.74	1,340.45
Others	265.82	532.63
Dividend Distribution Tax on Non Convertible Redeemable		
Preference Shares (Refer Note 45)	-	315.64
Loss on Derivative Instruments	(623.51)	781.31
Exchange gain on restatement of ECB	917.55	(418.95)
Lease Liability (Refer Note 42)	94.78	-
Other Borrowing Costs	367.82	599.63
TOTAL	4,257.27	5,599.21

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
33 OTHER EXPENSES

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Consumption of Stores and Spares	2,789.38	2,411.22
Power and Fuel	9,303.98	8,362.94
Repairs and maintenance:		
- Buildings	232.19	273.73
- Plant and Machinery	1,795.51	1,592.56
Pollution Control Expenses	1,838.56	2,165.92
Excise Duty Expenses	-	10.35
Labour Contract Charges	2,866.34	2,802.25
Rent (Refer Note 42)	82.48	300.91
Rates and Taxes	707.13	1,315.43
Insurance	1,245.94	876.40
Packing Material Consumption	3,628.27	3,353.07
Loss on Discarded Fixed Assets	144.74	378.38
Freight Expenses	3,005.08	2,642.67
Research & Development Expenses (Refer Note - i below)	248.11	209.65
Bad Debts	58.61	504.75
Provision For Doubtful Debts and Advances	771.97	393.19
Electricity duty on power generation	1,901.34	1,446.89
Renewal purchase obligation	559.08	567.51
Fees to promoters of MFL on successful exit of IFC	-	1,500.00
Water charges	1,673.16	1,595.07
Expenditure towards Corporate Social Responsibility (Refer Note - ii below)	237.52	246.05
Selling and Promotion Expenses	302.86	219.68
Payments to the Auditors (Refer Note - iii below)	51.37	46.95
Miscellaneous Expenses	5,518.03	5,588.44
TOTAL	38,961.65	38,804.01

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

i Expenses includes Research & Development related expenses as follows

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Salary & Wages	153.73	155.55
Raw Material Consumption	37.04	23.29
Consumables & Spares and Others	1.22	2.04
Electricity Expenses	14.51	10.46
Annual Maintenance Contract & Repairing	35.03	11.29
Stationery Expenses	3.94	-
Telephone, Mobile & Internet Expenses	-	0.10
Travelling Expenses	1.01	0.47
Vehicle Expenses	0.05	4.91
Conveyance Expenses	1.58	1.54
TOTAL	248.11	209.65

ii Corporate Social Responsibility Expenditure - spent during the year is Rs. 237.52 Lakhs (31st March 2019 Rs. 246.05 Lakhs)
Details of Corporate Social Responsibility (CSR Expenditure)

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Amount Required to be spent as per Section 135 of the Act	582.87	404.72
Amount spent in cash during the year on :		
i - Construction / Acquisition of an Assets	-	-
ii - On Purposes other than (i) above	237.52	246.05

iii **Payments to Auditors (Excluding Taxes)**

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
(a) as Auditors	48.25	44.00
(b) for Other Services	0.20	1.10
(c) for Reimbursement of Expenses	2.92	1.85
TOTAL	51.37	46.95

34 EXCEPTIONAL ITEMS

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Loss due to Fire (Refer Note below)	-	1,586.78
TOTAL	-	1,586.78

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

The exceptional item for the year ended March 31, 2019 includes loss on account of fire on March 26, 2019 at a manufacturing facility of the Holding Company in Dahej location. Loss on fire included inventory, Property Plant and Equipment and other ancillary expenses amounting to INR 1,586.78 lakhs as assessed by the management and was charged to statement of profit and loss for the year ended March 31, 2019 in line with requirements of Ind AS 16. The Holding Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim. Management has submitted requisite information to surveyor and insurance company, however preliminary assessment / claim report is awaited from the Insurance company.

35 OTHER COMPREHENSIVE INCOME

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Statement of Other Comprehensive Income		
A - Items that will not be reclassified to Profit or Loss		
(i) Remeasurements of the Defined Benefit Plans (Refer Note 37)	(337.12)	(196.33)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	88.91	68.61
Total (A)	(248.21)	(127.72)
B - Items that will be reclassified to Profit or Loss		
(i) Exchange differences in translating the Financial Statements of a foreign operation	17.04	34.14
(ii) Income Tax relating to items that will be reclassified to Profit or Loss	(4.29)	(11.93)
Total (B)	12.75	22.21
Total (A+B)	(235.46)	(105.51)

36 EARNINGS PER SHARE

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

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

PARTICULARS	(Rs. in Lakhs)	
	For the year ended 31 st March , 2020	For the year ended 31 st March, 2019
Profit attributable to Equity holders of the Parent	24,014.64	25,127.25
Weighted Average number of Equity Shares outstanding (Nos.)	25,43,14,211	5,43,14,211
Basic and Diluted Earnings Per Share (Rs.)	9.44	9.88
Face value per equity share (Rs.)	1	1

37 GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
Table 1: Reconciliation of Defined Benefit Obligation (DBO)
(Rs. in Lakhs)

	31 st March 2020	31 st March, 2019
Opening Balance of Defined Benefit Obligation	1,330.31	952.80
Service Cost		
a. Current Service Cost	203.97	144.73
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Interest Cost	92.01	70.05
Benefits Paid	(41.18)	(41.40)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	(29.52)
b. Actuarial Loss/(Gain) from changes in financial assumptions	99.09	233.81
c. Actuarial Loss/(Gain) from experience over the past period	209.48	(0.16)
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
Closing Balance of Defined Benefit Obligation	1,893.68	1,330.31

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

	31 st March 2020	31 st March, 2019
Opening Balance of Fair Value of Plan Assets at start of the period	654.63	507.34
Contributions by Employer	75.77	144.12
Benefits Paid	(41.18)	(41.40)
Interest Income on Plan Assets	46.48	36.76
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(28.55)	7.81
Closing Balance of Fair Value of Plan Assets at end of the period	707.15	654.63
Actual Return on Plan Assets	17.93	44.57

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

	31 st March 2020	31 st March, 2019
Service Cost		
Current Service Cost	203.97	144.73
Net Interest on net defined benefit liability/ (asset)	45.53	33.29
Employer Expenses	249.50	178.02

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

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

	31 st March 2020	31 st March, 2019
Present Value of DBO	1,893.68	1,330.31
Fair Value of Plan Assets	707.15	654.62
Liability/ (Asset) recognised in the Balance Sheet	1,186.53	675.69
Funded Status [Surplus/(Deficit)]	(1,186.53)	(675.69)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	209.48	(0.16)
Experience Adjustment on Plan Assets: Gain/(Loss)	(28.55)	7.81

Table 5: Percentage Break - down of Total Plan Assets

	31 st March 2020	31 st March, 2019
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	7%	11%
Of which, Traditional/ Non-Unit Linked	93%	89%
Total	100%	100%

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

Table 6: Actuarial Assumptions

	31 st March 2020	31 st March, 2019
Salary Growth Rate	10%	10%
Discount Rate	5.7% - 6.1%p.a.	6.9% - 7.0%p.a.
Withdrawal Rate	12% pa	12% pa
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	6.9% - 7.0%p.a.	7.3% - 7.7% p.a.
Expected weighted average remaining working life	3 to 5 years	4 to 5 years

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

	31 st March 2020	31 st March, 2019
Balance at start of period (Loss)/Gain	(221.56)	(25.24)
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	29.52
b. Actuarial (Loss)/Gain from changes in financial assumptions	(99.09)	(233.81)
c. Actuarial (Loss)/Gain from experience over the past period	(209.48)	0.16
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(28.55)	7.81
Balance at end of period (Loss)/Gain	(558.68)	(221.56)

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Table 8: Sensitivity Analysis

Financial Year ended March 31, 2020	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 93.44 Lakhs	DBO decreases by Rs 85.80 Lakhs
Discount Rate	DBO decreases by Rs 88.30 Lakhs	DBO increases by Rs 98.33 Lakhs
Withdrawal Rate	DBO decreases by Rs 19.41 Lakhs	DBO increases by Rs 21.30 Lakhs

Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.71 Lakhs
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 1.41 Lakhs

Financial Year ended March 31, 2019	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 65.56 Lakhs	DBO decreases by Rs 60.38 Lakhs
Discount Rate	DBO decreases by Rs 61.50 Lakhs	DBO increases by Rs 68.19 Lakhs
Withdrawal Rate	DBO decreases by Rs 10.72 Lakhs	DBO increases by Rs 11.67 Lakhs

Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.34 Lakhs
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.76 Lakhs

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

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

	31 st March 2020	31 st March, 2019
Surplus/ (Deficit) at start of year	(675.69)	(445.46)
Movement during the year		
Current Service Cost	(203.97)	(144.73)
Net Interest on net DBO	(45.53)	(33.29)
Actuarial gain/ (loss)	(337.12)	(196.32)
Contributions	75.77	144.12
Surplus/ (Deficit) at end of year	(1,186.53)	(675.69)

(b) Defined Contribution Plans

The Group makes Provident Fund contributions to defined contribution plans for qualifying employees in India. Under the schemes, the Group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised provident fund contribution of Rs. 371.38 Lakhs (March 31, 2019 Rs. 294.64 Lakhs) as expense in Note 31 under the head 'Contributions to Provident and Other Funds'.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
38 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS
A Claims against the Group not acknowledged as liabilities (Excluding interest and Penalty)

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Disputed Income-Tax Liability	1,131.44	87.83
Disputed Excise Duty Liability	1,701.25	1,938.69
Disputed Service Tax Liability	268.81	359.90
Disputed Custom Duty	621.83	621.83
Disputed Sales Tax Liability	87.04	87.04
Disputed Liabilities towards labour and workers compensation	54.38	42.11
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various Forums / Authorities)		
In respect of Letter of Credit	596.64	1,990.40

B. CAPITAL COMMITMENTS

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Estimated amount of Contracts pending execution on Capital accounts and not provided for (net of advances)	7,444.14	13,792.71

C. OTHER COMMITMENT

The subsidiary Company Meghmani Finechem Limited has imported capital good for the various expansion projects under the EPCG Scheme at nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is Rs. 4,622.47 Lakhs (31st March 2019: Rs.4,520.79 Lakhs) which is equivalent to duty saved of Rs.736.05 Lakhs (31st March 2019: Rs.753.46 Lakhs). The export obligation has to be completed by 2024-25. Further, the Company has submitted documents for fulfilment of obligations of Rs.805.16 Lakhs. However, pending export obligation discharge clearance certificate, the same is considered outstanding as on 31st March 2020.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020**39 - SEGMENT REPORTING****A - Analysis By Business Segment****Financial year ended on March 31, 2020 :**

Revenue	Pigments	Agro Chemicals	Chloro Alkali & Its Derivatives	Others *	Elimination	Total
External Sales	59,604.55	94,418.88	56,941.11	4,559.64		2,15,524.18
Other Operating Revenue	1,422.43	2,138.08	27.27	6.16		3,593.94
Inter-segment Sales	3,029.38	783.47	4,009.65	996.06	(8,818.56)	
Total Revenue	64,056.36	97,340.43	60,978.03	5,561.86	(8,818.56)	2,19,118.12
Results						
Segment Results	8,493.36	18,268.90	15,529.22	234.60	171.70	42,697.78
Un-allocable (Expenses) /Income						(2,536.20)
Profit from Operation						40,161.58
Finance Cost						(4,257.27)
Investments Income						-
Profit before Exceptional Items						35,904.31
Exceptional Items		-		-		-
Profit Before Tax						35,904.31
Income Tax Expenses						(8,067.32)
Deferred Tax (Expenses)/Income						1,064.53
Profit After Tax						28,901.52

Other information	Pigments	Agro Chemicals	Chloro Alkali & Its Derivatives	Others *	Elimination	Total
Capital Addition	1,611.01	11,524.67	41,273.87	1,080.71	-	55,490.26
Depreciation	(2,286.55)	(2,117.52)	(4,430.20)	(350.23)	325.68	(8,858.82)
Non-Cash Items	(475.08)	(1,372.48)	(127.44)	18.60	-	1,956.40)

Balance sheet	Pigments	Agro Chemicals	Chloro Alkali & Its Derivatives	Others *	Elimination	Total
Assets						
Segment Assets	59,756.51	82,919.64	1,26,957.50	1,908.13	(19,558.03)	2,51,985.75
Un-allocable Assets						21,706.33
Total assets						2,73,692.08
Liabilities						
Segment Liabilities	22,385.98	37,451.42	68,494.43	1,085.84	(1,618.67)	1,27,799.00
Unallocable Liabilities						2,612.71
Deferred Tax Liabilities						3,446.71
Total Liabilities						1,33,858.42

*Others includes Merchant Trading Activity.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

39 - SEGMENT REPORTING

A - Analysis By Business Segment

Financial year ended on March 31, 2019 :

Revenue	Pigments	Agro Chemicals	Chloro Alkali & Its Derivatives	Others *	Elimination	Total
External Sales	55,025.37	76,505.91	65,705.97	7,997.74		2,05,234.99
Other Operating Revenue	1,545.32	1,983.01	32.50	0.03		3,560.86
Inter-segment Sales	3,909.54	560.35	5,300.83	-	(9,770.72)	
Total Revenue	60,480.23	79,049.27	71,039.30	7,997.77	(9,770.72)	2,08,795.85
Results						
Segment Results	6,923.61	16,809.98	26,621.55	71.15	345.19	50,771.48
Un-allocable (Expenses)/Income						(2,733.28)
Profit from Operation						48,038.20
Finance Cost						(5,599.21)
Investments Income						3.75
Profit before Exceptional Items						42,442.74
Exceptional Items		(1,586.78)				(1,586.78)
Profit Before Tax						40,855.96
Income Tax Expenses						(10,593.04)
Deferred Tax (Expenses)/Income						(726.20)
Profit After Tax						29,536.72

(Rs.in Lakhs)

Other information	Pigments	Agro Chemicals	Chloro Alkali & Its Derivatives	Others *	Elimination	Total
Capital Addition	2,287.20	5,159.14	39,107.06	54.85	-	46,608.25
Depreciation	(2,197.11)	(2,228.27)	(5,409.88)	(207.13)	316.45	(9,725.94)
Non-Cash Items	(280.98)	1,922.22	157.50	20.03	-	1,818.76

(Rs.in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Chloro Alkali & Its Derivatives	Others *	Elimination	Total
Assets						
Segment Assets	59,014.94	70,586.53	1,04,044.94	2,728.18	(19,635.59)	2,16,739.00
Un-allocable Assets						20,936.84
Total assets						2,37,675.84
Liabilities						
Segment Liabilities	24,603.62	35,777.95	55,134.68	1,585.04	(1,529.53)	1,15,571.76
Unallocable Liabilities						1,778.42
Deferred Tax Liabilities						5,041.81
Total Liabilities						1,22,391.99

*Others includes Merchant Trading Activity.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

39 - SEGMENT REPORTING

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	(Rs.in Lakhs)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Revenue:		
Within India	93,357.66	96,904.67
Outside India	1,25,760.46	1,11,891.18
TOTAL	2,19,118.12	2,08,795.85

Note - Segment Assets, Liability and Capital Expenditure are analysed based on location of those assets. Capital Expenditure includes the total cost incurred to purchase Property, Plant and Equipment.

(ii) - Segment Assets

PARTICULARS	(Rs.in Lakhs)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Within India	2,39,497.80	2,13,948.30
Outside India	33,273.90	22,332.92
TOTAL	2,72,771.70	2,36,281.22

Note - Segment Assets does not include Deferred Tax, Investments, Current and Non Current Tax Assets

(iii) - Segment Liability

PARTICULARS	(Rs.in Lakhs)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Within India	1,03,285.04	95,729.43
Outside India	25,318.82	20,206.05
TOTAL	1,28,603.86	1,15,935.48

Note - Segment Liabilities does not includes Deferred Tax and Income Tax Liabilities

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
(iv) - Segment Capital Expenditure

PARTICULARS	(Rs.in Lakhs)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Within India	55,490.26	46,608.25
Outside India	-	-
TOTAL	55,490.26	46,608.25

Notes

- (1) Based on "management approach" defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these Segments.
- (2) The Group is divided into three segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :
 - a) Agro Chemicals - The Group's operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals.
 - b) Pigment Business - The Group's operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.
 - c) Chloro Alkali & Its Derivatives - Chemicals undergo processing in many stages before being converted into downstream Chemicals which are used by the Agriculture Sector, Industry and also directly by the Consumers. The Caustic – Chlorine and Caustic Potash to be manufactured fall under the category of Chloro Alkali & Its Derivatives.
- (3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the Segments and amounts allocated on a reasonable basis.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

40 RELATED PARTIES DISCLOSURES :-

Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	Meghmani Pigments Ashish Chemicals Tapsheel Enterprise Meghmani Dyes & Intermediates LLP Meghmani Industries Limited Meghmani Chemicals Limited Arjan Owners LLP (Formerly Panchratna Corporation) Meghmani LLP (Formerly Meghmani Unichem LLP) Matangi Industries LLP Navratan Specialty Chemicals LLP Meghmani Exports Limitada S.A.De CV 	:
Key Managerial Personnel :	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel Mr. Ankit Patel (CEO) Mr. Darshan Patel (COO) Mr. Karana Patel (COO) Mr. G.S. Chahal (Chief Financial Officer of MOL) Mr. Kamlesh Mehta (Company Secretary) 	
Relatives of Key Managerial Personnel :	Ms. Deval Soparkar Ms. Taraben Patel Mr. Maulik Patel Mr. Kaushal Soparkar 	
Independent Directors :	Mr. Bhaskar Rao (w.e.f 10.02.2018) Mr. Chinubhai R Shah (up to 14.05.2018) Mr. Chander Kumar Sabharwal (up to 25.07.2019) Mr. Balkrishna Thakkar (up to 25.07.2019) Mr. C S Liew (w.e.f 10.02.2018) Ms. Urvashi Shah (w.e.f 27.03.2015) Mr. Manubhai Patel (w.e.f 10.02.2018) Dr. (Prof) Ganapati Yadav (w.e.f 09.08.2019) 	

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

40. RELATED PARTIES DISCLOSURES :-

Transactions with Related Parties in Ordinary Course of Business

(Rs. in Lakhs)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Purchase of Goods	2,625.81	2,341.37	-	-	-	-	2,625.81	2,341.37
Sale of Goods	5,873.00	7,354.08	-	-	-	-	5,873.00	7,354.08
Availing of Services	297.67	266.17	-	-	-	-	297.67	266.17
Sitting Fees	-	-	15.33	13.00	-	-	15.33	13.00
Remuneration	-	-	2,463.96	3,267.58	572.82	1,300.71	3,036.78	4,568.29
Issue of Equity Shares of MFL	-	-	-	1,500.00	-	-	-	1,500.00
Promoter Success Fees	-	-	-	1,500.00	-	-	-	1,500.00
Loan Given	-	-	-	-	-	-	-	-
Loan Repaid	-	-	-	-	-	-	-	-
Sale of Services	15.04	4.97	-	-	-	-	15.04	4.97
Dividend	-	-	1,401.28	994.11	145.48	103.90	1,546.76	1,098.01
Total	8,811.52	9,966.59	3,880.57	7,274.69	718.30	1,404.61	13,410.39	18,645.89

OUTSTANDING BALANCES WITH RELATED PARTIES

(Rs. in Lakhs)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Receivables	964.90	1,699.75	-	-	-	-	964.90	1,699.75
Payables	1,212.39	783.26	-	-	-	-	1,212.39	783.26
Loan Receivable	-	-	-	-	-	-	-	-
Remuneration Payable	-	-	1,802.09	2,722.94	478.88	1,153.99	2,280.97	3,876.93
Total	2,177.29	2,483.01	1,802.09	2,722.94	478.88	1,153.99	4,458.26	6,359.94

Terms and conditions of transactions with Related Parties

- (1) The Group's transactions with related parties are at arm's length. Management believes that the Group's domestic and international transactions with related parties post March 31, 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.
- (2) For the year ended 31 March 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- (3) The future liability for Gratuity and Compensated Absence is provided on aggregated basis for all the employees of the Group taken as a whole, the amount pertaining to KMPs is not ascertainable separately and therefore not included above.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
40. RELATED PARTIES DISCLOSURES :-
Disclosure In Respect Of Material Transaction With Related Party during the Year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Sale of Goods	91.80	294.71
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	771.29	827.02
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Sale of Goods	999.32	119.71
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	942.67
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	182.23	165.92
Tapsheel Enterprises	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	3.89
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	2,534.59	3,016.41
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	2.71	25.98
Trent Chemical Industries	Enterprises in which Directors & KMP have significant influence	Sale of Goods	1,291.06	1,957.77
		Total	5,873.00	7,354.08
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,809.97	1,577.76
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	17.37	15.93
Matangi Industries	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	3.20	12.77
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	25.87	40.77
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1.32	-
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	1.54
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	768.08	692.60
		Total	2,625.81	2,341.37

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

40. RELATED PARTIES DISCLOSURES :-

Disclosure In Respect Of Material Transaction With Related Party during the Year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Panchratna Corporation	Enterprises in which Directors & KMP have significant influence	Availing of Services	4.13	266.17
Arjan Owners LLP	Enterprises in which Directors & KMP have significant influence	Availing of Services	293.54	-
		Total	297.67	266.17
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Rent Income	15.04	2.72
		Total	15.04	2.72
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Reim. Of Expenses	-	2.25
		Total	-	2.25
Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	426.69	455.38
Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	426.87	455.29
Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	426.89	455.17
Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	296.47	300.25
Anand Patel	Key Managerial Personnel	Managerial Remuneration	231.32	222.37
Karana Patel	Key Managerial Personnel	Managerial Remuneration	182.82	400.32
Ankit N Patel	Key Managerial Personnel	Managerial Remuneration	277.82	640.32
Darshan I Patel	Key Managerial Personnel	Managerial Remuneration	135.32	280.32
G.S Chahal	Key Managerial Personnel	Salary	36.82	36.22
Kamlesh Mehta	Key Managerial Personnel	Salary	22.94	21.94
		Total	2,463.96	3,267.58
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	16.60	19.49
Maulik J Patel	Relatives of Key Managerial Personnel	Salary	278.11	640.61
Kaushal A Soparkar	Relatives of Key Managerial Personnel	Salary	278.11	640.61
		Total	572.82	1,300.71

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
40. RELATED PARTIES DISCLOSURES :-
Disclosure In Respect Of Material Transaction With Related Party during the Year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Balkrishna T Thakkar	Independent Directors	Sitting Fees	4.53	5.75
Ganapati Dadasaheb Yadav	Independent Directors	Sitting Fees	0.50	-
Chander Kumar Sabharwal	Independent Directors	Sitting Fees	0.52	1.25
Ms. Urvashi Shah	Independent Directors	Sitting Fees	2.50	0.75
Manubhai K Patel	Independent Directors	Sitting Fees	7.28	5.25
		Total	15.33	13.00
Jayanti Patel	Key Managerial Personnel	Dividend	262.65	186.80
Ashish Soparkar	Key Managerial Personnel	Dividend	352.10	248.33
Natwarlal Patel	Key Managerial Personnel	Dividend	362.77	260.40
Ramesh Patel	Key Managerial Personnel	Dividend	235.78	165.77
Anand Patel	Key Managerial Personnel	Dividend	115.62	82.03
Karana Patel	Key Managerial Personnel	Dividend	26.17	18.65
Ankit Patel	Key Managerial Personnel	Dividend	43.22	30.21
Darshan Patel	Key Managerial Personnel	Dividend	2.97	1.92
		Total	1,401.28	994.11
Deval Soparkar	Relatives of Key Managerial Personnel	Dividend	5.75	4.10
Taraben Patel	Relatives of Key Managerial Personnel	Dividend	103.04	73.60
Maulik Patel	Relatives of Key Managerial Personnel	Dividend	17.78	12.70
Kaushal Soparkar	Relatives of Key Managerial Personnel	Dividend	18.91	13.50
		Total	145.48	103.90
Issue of Equity Shares				
Jayanti M Patel	Key Managerial Personnel	Share Issue of MFL	-	375.00
Ashish N Soparkar	Key Managerial Personnel	Share Issue of MFL	-	375.00
Natwarlal M Patel	Key Managerial Personnel	Share Issue of MFL	-	375.00
Ramesh M Patel	Key Managerial Personnel	Share Issue of MFL	-	225.00
Anand I Patel	Key Managerial Personnel	Share Issue of MFL	-	150.00
		Total	-	1,500.00

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

40. RELATED PARTIES DISCLOSURES :-

Disclosure In Respect Of Material Transaction With Related Party during the Year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Promoter Success Fees				
Jayanti M Patel	Key Managerial Personnel	Success Fees	-	375.00
Ashish N Soparkar	Key Managerial Personnel	Success Fees	-	375.00
Natwarlal M Patel	Key Managerial Personnel	Success Fees	-	375.00
Ramesh M Patel	Key Managerial Personnel	Success Fees	-	225.00
Anand I Patel	Key Managerial Personnel	Success Fees	-	150.00
		Total	-	1,500.00
	Total		13,410.39	18,645.89

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
40. RELATED PARTIES DISCLOSURES :-

(Rs. in Lakhs)

Particular	31 st March 2020	31 st March 2019
Payable		
Arjan Owners Llp	23.43	-
Ashish Chemicals Unit-II	17.37	-
Matangi Industries	1.09	0.65
Meghmani Dyes & Intermediate Ltd.	-	0.23
Meghmani Industries Ltd.	1.13	31.49
Meghmani LLP	287.69	266.32
Meghmani Pigments	881.68	475.02
Navratan Speciality Chemical LLP	-	1.95
Panchratna Corporation	-	7.60
Total	1,212.39	783.26
Receivables		
Ashish Chemicals Eou Unit - II	-	54.16
Meghmani Chemicals Limited	21.78	21.78
Meghmani Dyes & Intermediate LLP	189.87	189.27
Payable		
Meghmani Industries Ltd - Sez Unit	0.04	104.77
Meghmani Industries Ltd.	170.85	129.14
Meghmani LLP	268.86	683.10
Meghmani Pigments	49.50	42.46
Meghmani Unichem LLP	8.33	-
Navratan Speciality Chemical LLP	7.36	17.07
Trent Chemical Industries	248.31	349.16
Meghmani Exports Limitada S.A.De CV	-	108.84
Total	964.90	1,699.75
Remuneration Payable		
Jayanti Patel	328.90	390.21
Ashish Soparkar	328.90	390.21
Natwarlal Patel	328.90	390.21
Ramesh Patel	198.90	235.20
Anand Patel	133.89	157.71
Ankit N Patel	238.90	576.87
Darshan I Patel	96.40	231.88
Maulik J Patel	238.90	576.82
Kaushal A Soparkar	238.90	576.82
Karana Patel	143.90	346.87
Deval Soparkar	1.08	0.35
G.S Chahal	2.23	1.90
K D Mehta	1.17	1.53
Total	2,280.97	3,876.58

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

41 - FINANCIAL INSTRUMENTS – FAIR VALUE HIERARCHY

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENT

The carrying value of financial instruments by categories as of March 31, 2020 is as follows: (Rs. in Lakhs)

31 st March 2020	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial assets				
Non-Current Investments (Refer Note 4)	-	57.21	-	57.21
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,430.59	1,430.59
Trade Receivables (Refer Note 9)	-	-	53,051.97	53,051.97
Cash and Cash Equivalents (Refer Note 10)	-	-	858.95	858.95
Bank Balances (Other than above) (Refer Note 11)	-	-	63.35	63.35
Loans (Refer Note 12)	-	-	57.15	57.15
Other Financial Asset (Refer Note 13)	-	-	3,693.90	3,693.90
Total Financial Assets	-	57.21	59,155.91	59,213.12
Financial liabilities				
Non-Current Borrowings (Refer Note 17)	-	-	47,386.83	47,386.83
Fair Value of Financial Derivatives (Refer Note 18)	157.80	-	-	157.80
Non Current Financial Liabilities (Refer Note 18)	-	-	973.53	973.53
Current Borrowings (Refer Note 21)	-	-	18,697.92	18,697.92
Trade Payables (Refer Note 22)	-	-	27,473.38	27,473.38
Other Financial Liabilities (Refer Note 23)*	-	-	28,681.99	28,681.99
Total Financial Liabilities	157.80	-	1,23,213.65	1,23,371.45

* Includes Current Portion of Long Term Borrowing

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(Rs. in Lakhs)

31st March 2019	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial assets				
Non-Current Investments (Refer Note 4)	-	57.41	-	57.41
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,045.17	1,045.17
Trade Receivables (Refer Note 9)	-	-	43,135.33	43,135.33
Cash and Cash Equivalents (Refer Note 10)	-	-	13,329.63	13,329.63
Bank Balances (Other than above) (Refer Note 11)	-	-	136.25	136.25
Loans (Refer Note 12)	-	-	58.62	58.62
Other Financial Asset (Refer Note 13)	-	-	4,176.66	4,176.66
Total Financial Assets	-	57.41	61,881.66	61,939.07
Financial liabilities				
Non-Current Borrowings (Refer Note 17)	-	-	45,061.50	45,061.50
Fair Value of Financial Derivatives (Refer Note 18)	781.31	-	-	781.31
Current Borrowings (Refer Note 21)	-	-	20,193.94	20,193.94
Trade Payables (Refer Note 22)	-	-	25,614.87	25,614.87
Other Financial Liabilities (Refer Note 23)*	-	-	21,749.73	21,749.73
Total Financial Liabilities	781.31	-	1,12,620.04	1,13,401.35

* Includes Current Portion of Long Term Borrowing

B. Measurement of Fairvalues and Sensitivity analysis
Fair value hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE
(Rs. in Lakhs)

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy
	31 st March 2020	31 st March 2019	
Mark to market derivative liabilities on interest rate swap and cross currency swap valued at fair value through profit and loss (Refer Note 17)	157.80	-	Level 2
Investment at FVTOCI (unquoted) (Refer Note 7)	57.21	57.41	Level 3

Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 1 fair values representing investment in short term liquid mutual funds.

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Opening balance on 1 April 2019	-	7,141.81
Net change in fair value (unrealised)	-	-
Purchases	32,400.00	26,003.33
Sales	(32,400.00)	(33,145.14)
Closing balance on 31 March 2020	-	-

Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 3 fair values

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Opening balance on 1 April 2019	57.41	58.43
Purchases	-	-
Impairment in value of investments	-	-
Disposal during the year	0.20	1.02
Closing balance on 31 March 2020	57.21	57.41

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Financial Risk Management Framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's Risk Management Framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends Risk Management Objectives and Policies. The activities of this operations include management of Cash Resources, hedging of Foreign Currency Exposure, Credit Control and ensuring compliance with market risk limits and policies.

The Group's principal Financial Liabilities, other than derivatives, comprises of long term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Group's operations. The Group's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank balances and other Financial Assets that derive directly from its operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group has exposure to the following risks arising from Financial Instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit Risk

Credit Risk is the risk that counter party will not meet its obligation leading to a Financial Loss. The Group is exposed to Credit Risk arising from its operating activities primarily from trade receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the Board of Directors.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business.Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts Receivables.The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates.Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Domestic	20,620.70	23,109.79
Other regions	32,431.27	20,025.54
Total	53,051.97	43,135.33

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
Age of Receivables

(Rs. in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Neither due nor impaired	36,473.20	27,611.50
Past due 1–90 days	11,262.05	13,081.01
Past due 91–180 days	3,833.10	1,491.86
More than 180 days	1,483.62	950.96
Total	53,051.97	43,135.33

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer Credit Risk, including underlying customers' credit ratings if they are available.

Management estimates that the amount of provision of Rs.1,412.78 lakhs (31st March, 2019: Rs. 619.91 lakhs) is appropriate

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Financial instruments – Fair Values and Risk Management (continued)

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI and amortised cost investments and derivative financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

(Rs. in Lakhs)

Particulars	31st March, 2020 Total	USD Denominated Exposure	Euro Denominated Exposure	INR
Financial Assets				
Trade and Other Receivables	53,051.97	27,348.41	5,094.55	20,609.01
Total	53,051.97	27,348.41	5,094.55	20,609.01
Financial Liabilities				
Long Term Borrowings	47,386.83	-	17,477.18	29,909.65
Short Term Borrowings	18,697.92	-	14,707.49	3,990.43
Trade and Other Payables	27,473.38	3,139.22	1.20	24,332.96
Other Non-Current Financial Liabilities	1,131.33	-	-	1,131.33
Other Current Financial Liabilities	28,681.99	525.65	6,510.07	21,646.27
Less : Foreign Currency Hedged Term Loan	(14,898.60)	-	(14,898.60)	-
Total	1,08,472.85	3,664.87	23,797.34	81,010.64

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

(Rs. in Lakhs)

Particulars	31 st March, 2019 Total	USD Denominated Exposure	Euro Denominated Exposure	INR
Financial Assets				
Trade and Other Receivables	43,135.33	16,533.20	3,717.06	22,885.07
Total	43,135.33	16,533.20	3,717.06	22,885.07
Financial Liabilities				
Long Term Borrowings	45,061.50	-	13,981.05	31,080.45
Short Term Borrowings	20,193.94	1,210.21	8,588.60	10,395.13
Trade and Other Payables	25,614.87	5,646.50	17.98	19,950.39
Other Non-Current Financial Liabilities	781.31	-	-	781.31
Other Current Financial Liabilities	21,749.73	308.32	8.74	21,432.67
Less : Foreign Currency Hedged Term Loan	(13,981.05)	-	(13,981.05)	-
Total	99,420.30	7,165.03	8,615.32	83,639.95

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Lakhs)

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 st March 2020				
5% movement				
USD	1,184.18	(1,184.18)	886.14	(886.14)
EUR	(935.14)	935.14	(699.78)	699.78

(Rs. in Lakhs)

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 st March, 2019				
5% movement				
USD	468.41	(468.41)	304.73	(304.73)
EUR	(244.91)	244.91	(159.33)	159.33

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Financial instruments – Fair Values and Risk Management (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Long-term and Short term Debt Obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Group's Interest Rate Risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

(Rs. in Lakhs)

Variable-rate instruments	31st March 2020	31st March 2019
Non current - Borrowings	47,386.83	45,061.50
Current - Borrowings	18,697.92	20,193.94
Current portion of Long term borrowings	12,922.97	6,368.19
Total	79,007.72	71,623.63

Cash Flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased /(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. in Lakhs)

Particulars	Profit or (Loss)		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2020				
Non current - Borrowings	(473.87)	473.87	(354.61)	354.61
Current - Borrowings	(186.98)	186.98	(139.92)	139.92
Current portion of Long term borrowings	(129.23)	129.23	(96.71)	96.71
Total	(790.08)	790.08	(591.23)	591.23
31st March 2019				
Non current - Borrowings	(450.62)	450.62	(293.15)	293.15
Current - Borrowings	(201.94)	201.94	(131.37)	131.37
Current portion of Long term borrowings	(63.68)	63.68	(41.43)	41.43
Total	(716.24)	716.24	(465.95)	465.95

Equity Price Risk:

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed equity securities are not significant.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

Financial instruments – Fair values and Risk Management (continued)

iii. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Rs. in Lakhs)

31 st March, 2020	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	600.00	600.00	600.00	-	-	-
India Rupee loan	35,750.00	35,750.00	5,840.35	8,164.91	21,744.74	-
Total	36,350.00	36,350.00	6,440.35	8,164.91	21,744.74	-
Foreign currency term loans from banks						
SBI Bank Limited	1,868.62	1,868.62	1,103.19	765.43	-	-
AXIS Bank Limited	7,192.58	7,192.58	2,399.71	1,577.37	3,215.50	-
Standard Chartered Bank	14,898.60	14,898.60	2,979.72	3,972.96	7,945.92	-
Working Capital Loans from Banks	18,697.92	18,697.92	18,697.92	-	-	-
Trade and Other Payables	27,473.38	27,473.38	27,473.38	-	-	-

(Rs. in Lakhs)

31 st March, 2019	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Rupee term loans from banks						
HDFC Bank Limited	1,200.00	1,200.00	600.00	600.00	-	-
SBI Bank Limited	3,828.97	3,828.97	2,034.85	1,044.12	750.00	-
AXIS Bank Limited	7,666.67	7,666.67	1,533.34	1,533.33	4,600.00	-
HDFC Bank Limited	17,950.00	17,950.00	2,200.00	3,632.21	12,117.79	-
Federal Bank Limited	6,803.00	6,803.00	-	1,250.00	5,553.00	-
Total	37,448.64	37,448.64	6,368.19	8,059.66	23,020.79	-
Foreign Currency Term Loans from Banks						
Standard Chartered Bank	13,981.05	13,981.05	-	2,796.21	11,184.84	-
Working Capital Loans from Banks	20,193.94	20,193.94	20,193.94	-	-	-
Trade and Other Payables	25,614.87	25,614.87	25,614.87	-	-	-

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

42 : New and amended standards -

(A) Transition to Ind AS 116 'Leases' :

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Group has adopted Ind AS 116 – 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Group has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Group has elected below practical expedients on transition to Ind AS 116:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- The Group has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings.
- The Group has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.50% (i.e. Incremental borrowing rate of the Group).

The Group has lease contracts for HO premise. Leases of HO premise is having lease terms of 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain premises in good state. The lease contract include extension and termination options which are further discussed below.

The Group also has Depots with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for this lease.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee

(i) The movement in Lease liabilities during the year

(Rs. in Lakhs)

Particulars	31 st March 2020
Opening Balance	
Balance as at 1st April, 2019 (on adoption of Ind AS 116 - Leases)	1,297.74
Additions during FY 2019-20	-
Finance costs incurred during the year	94.78
Payments of Lease Liabilities	(253.34)
Balance as at 31st March, 2020	1,139.18

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

42 : New and amended standards -

(ii) The carrying value of the Rights-of-use and depreciation charged during the year : (Rs. in Lakhs)

Particulars	31 st March 2020
Opening Balance	
Balance as at 1st April, 2019 (on adoption of Ind AS 116 - Leases)	1,297.74
Reclassified on account of adoption of Ind AS 116	4,655.62
Additions during FY 2019-20	-
Depreciation/Amortisation charged during the year	(268.88)
Balance as at 31st March, 2020	5,684.48

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year (Rs. in Lakhs)

Particulars	31 st March 2020
Depreciation/Amortisation expense of right-of-use assets	268.88
Interest expense on lease liabilities	94.78
Expense relating to short-term leases (included in other expenses)	82.48
Total Expenses	446.14

(iv) Amounts recognised in statement of cash flows (Rs. in Lakhs)

Particulars	31 st March 2020
Total Cash outflow for Leases	(253.34)

(v) Maturity analysis of lease liabilities (Rs. in Lakhs)

Particulars	31 st March 2020
Maturity Analysis of contractual undiscounted cash flows	
Less than one year	256.12
One to five years	1,136.52
More than five years	24.55
Total undiscounted Lease Liability	1,417.19

Balances of Lease Liabilities (Rs. in Lakhs)

Particulars	31 st March 2020
Non Current Lease Liability	973.53
Current Lease Liability	165.65
Total Lease Liability	1,139.18

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

In the previous year, 'The Group has entered into lease rent agreement for nine years for office premises. The leasing agreement is cancellable, and renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Lease payments recognised in the Statement of Profit and Loss for the year amounts to Rs.300.91 lakhs.

(B) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Appendix specifically addresses the following:

Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group does not operate in a complex environment and accordingly does not have significant judgements identified over uncertainties in income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions including positions relating to transfer pricing. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have any material impact on the financial statements of the Group.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
43 (A) - Information about Subsidiaries

The Group's Subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business/Country of incorporation	Ownership interest held by the group		Ownership interest held by Non Controlling Interest		Principal Activities
		31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	
Meghmani Finechem Limited (Refer Note below)	India	57.16%	57.16%	42.84%	42.84%	Manufacturing of Basic Chemical
Meghmani Organics USA INC	USA	100.00%	100.00%	0.00%	0.00%	Trading
PT Meghmani Organics	Indonesia	100.00%	100.00%	0.00%	0.00%	Trading of Pigment & Chemicals
Meghmani Agrochemical Private Limited (Merged into Meghmani Finechem Limited wef 11.02.2019)	India	-	100.00%	-	0.00%	Manufacturing of Agro Chemicals
Meghmani Overseas FZE	Dubai	100.00%	100.00%	0.00%	0.00%	Trading of Agro Chemicals
Meghmani Orgonochem Limited	India	100.00%	-	100.00%	-	Manufacturing of Chemicals

43 (B) -KEY FIGURES OF SUBSIDIARY HAVING NON-CONTROLLING INTERESTS (NCI) THAT ARE MATERIAL TO THE GROUP

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised Balance Sheet
(Rs. in Lakhs)

Particulars	Meghmani Finechem Limited	
	31 st March 2020	31 st March 2019
Current Assets	13,114.57	25,431.90
Non-Current Assets	1,14,042.78	78,989.48
Current Liabilities	25,922.97	17,717.34
Non-Current Liabilities	42,611.24	37,426.93
Net Assets	58,623.15	49,277.11
Net Assets attributable to Accumulated NCI	18,927.67	14,923.82

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020
Summarised Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	Meghmani Finechem Limited	
	31 st March 2020	31 st March 2019
Total Revenue	61,194.01	72,046.14
Expenses	46,761.91	47,817.01
Profit Before Tax	14,432.10	24,229.13
Tax Expenses	3,024.81	5,948.44
Profit After Tax	11,407.29	18,280.69
Other comprehensive income	(27.06)	(37.65)
Total comprehensive income	11,380.23	18,243.04
Total comprehensive income to NCI	4,875.29	4,399.79

Summarised Cash Flows

(Rs. in Lakhs)

Particulars	Meghmani Finechem Limited	
	31 st March 2020	31 st March 2019
Cash flows from Operating Activities	16,464.88	26,134.86
Cash flows from Investing Activities	(36,322.13)	(21,730.00)
Cash flows from Financing Activities	6,945.56	8,509.21
Net increase/ (decrease) in Cash and Cash Equivalents	(12,911.69)	12,914.07

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

43 (C) - ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the Entity in the Group	(Rs. in Lakhs)					
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Total Comprehensive Income	Total Amount
A Parent						
Meghmani Organics Limited						
31st March 2020	57.67%	80,645.65	58.24%	16,830.86	93.92%	16,609.71
31st March 2019	56.24%	64,837.03	31.90%	9,423.24	85.38%	9,333.16
B Subsidiaries						
(i) Indian						
Meghmani Finechem Limited						
31st March 2020	27.78%	38,838.97	24.52%	7,087.58	6.57%	7,072.11
31st March 2019	29.11%	33,556.37	53.27%	15,733.11	26.51%	15,705.14
Meghmani Agrochemicals Pvt.Ltd.						
31st March 2020	0.00%	-	0.00%	-	0.00%	-
31st March 2019	0.00%	-	-0.18%	(53.13)	0.00%	(53.13)
Meghmani Orgonochem Limited						
31st March 2020	0.00%	5.00	0.00%	-	0.00%	-
31st March 2019	0.00%	-	0.00%	-	0.00%	-
(ii) Foreign						
Meghmani Organics USA INC						
31st March 2020	0.98%	1,363.87	0.34%	98.60	4.20%	88.72
31st March 2019	1.55%	1,787.37	0.30%	89.38	0.28%	89.08
PT Meghmani Organics Indonesia						
31st March 2020	0.00%	-	0.00%	-	0.00%	-
31st March 2019	0.00%	-	-0.01%	(4.13)	-0.01%	(4.05)
Meghmani Overseas FZE Dubai						
31st March 2020	0.04%	52.50	-0.01%	(2.41)	0.07%	20.21
31st March 2019	0.16%	179.26	-0.21%	(61.22)	-0.13%	(38.78)
Non-controlling interest in all Subsidiaries						
31st March 2020	13.54%	18,927.67	16.91%	4,886.88	17.01%	4,875.29
31st March 2019	12.95%	14,923.82	14.93%	4,409.47	14.95%	4,399.79
Total						
31st March 2020	100.00%	1,39,833.66	100.00%	28,901.51	100.00%	28,666.04
31st March 2019	100.00%	1,15,283.85	100.00%	29,536.72	100.00%	29,431.21

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

44. Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

PARTICULARS	(Rs. in Lakhs)	
	31 st March 2020	31 st March 2019
Total Interest bearing Liabilities	79,007.72	71,623.63
Less : Cash and Cash Equivalent	858.95	13,329.63
Adjusted Net Debt	78,148.77	58,294.00
Total Equity	1,20,905.99	1,00,360.03
Adjusted Equity	1,20,905.99	1,00,360.03
Adjusted Net Debt to Adjusted Equity Ratio	0.65	0.58

Note 45: Changes in stake of Non-Controlling Interest (NCI) – Acquisition and Issue of shares and merger of subsidiaries – Meghmani Finechem Limited (MFL) and Meghmani AgroChemicals Private Limited (MACPL)

Changes in stake of Non-Controlling Interest (NCI):

During the year ended March 31 2019, The Board of Directors of subsidiary company Meghmani Finechem Limited (MFL) in their meeting held on 19th May 2018 approved the Scheme of Arrangement in the nature of Amalgamation of Meghmani Agrochemical Private Limited ('MACPL') with the MFL ('the Scheme'). MFL applied to National Company Law Tribunal ("NCLT") for approval of the Scheme of Arrangement. The Scheme was approved by NCLT on 11th February 2019. The amalgamation was effective from the date of the Order (i.e effective date).

Pursuant to the Scheme of Amalgamation, MFL issued 210,919,871 8% Optionally Convertible / Redeemable Preference Shares (OCRPS) of Rs. 10 each amounting to Rs 21,091.99 Lakhs and 221,708,925 8% Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10 each amounting to Rs 22,170.89 Lakhs to the Holding Company against its the investment in Equity and Preference Shares issued by MACPL.

The aforesaid NCRPS were issued in lieu of holding of IFC which was acquired by MACPL before the amalgamation. During the previous year, MFL and MACPL entered into Share Sale Agreement dated 26 April 2018, accordingly IFC sold its equity stake in the Company to MACPL. The agreement also allowed the Promoters to exercise their rights of the Promoters Warrants in accordance with the terms of the Share Subscription Agreement between the Company, Promoters and IFC at Rs. 30 each. The promoters exercised the warrant option rights conferred. Post-merger and on cancellation of investment and shares in MFL, the Group's share in MFL is 57.16%.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

- 46** Ministry of Agriculture and Farmer Welfare ("MOAFW") vide its notification dated May 14, 2020 has published a draft order called the "Banning of Insecticides Order, 2020, ("Draft Order") wherein 27 insecticide are proposed to be banned for import, manufacture, sale, transport, distribute and use as specified in the schedule to the order from the date of publication to the order. Any objection / suggestion against the said draft order by person affected are to be submitted before the expiry of 45 days from the said order. The proposed ban would possibly affect revenue of certain products of the Holding Company.

Various representation have been made against the said order. Based on the representation received from FICCI, CHEMEXCIL, PMFAI and HIL (India) Limited, Ministry of Chemicals and Fertilizer has filed a response to MOAFW dated June 2, 2020 stating reasons for not banning the products as proposed in the said Draft Order.

Pursuant to above, MOAFW has issued a revised draft by allowing export of these products and also extending the date for submitting objection / suggestion from 45 to 90 days.

On the aforesaid basis, the Holding Company believes that there are several contentions in favour of the entire Agrochemical Industry which are tenable. The Trade and Industry Association leader with the support of every member is in process of preparing convincing representations besides the legal recourse to challenge the said unilateral notification. Accordingly, The Holding Company believes that the draft order will not be sustained and the same will be reversed by MOAFW.

- 47** The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Group were impacted, due to shutdown of plants and offices following nationwide lockdown. The Group continues with its operations in a phased manner in line with directives from the authorities.

The Group has evaluated the impact of this pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions there is no material impact and adjustments required on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions and its impact, if any.

- 48** Composite Scheme of Arrangement The Board of Directors of Company at their meeting held on January 29, 2020, have approved composite scheme of arrangement ("the Scheme") proposing demerger of agro and pigment divisions of Company along with its investment in Optionally Convertible Redeemable Preference Shares ('OCRPS') of Meghmani Finechem Limited (MFL) into a newly incorporated wholly owned subsidiary company Meghmani Organochem Limited. Further, post demerger, as per the composite scheme, the Company along with its trading business and equity investment in its subsidiary company Meghmani Finechem Limited (MFL) shall be merged into MFL. The shareholders of Company will get equity shares of Meghmani Organochem Limited as consideration for demerger as per the share swap ratio defined in the composite scheme. Further, shares held by the Company in MFL (57.16%) shall stand cancelled on merger and the shareholders of holding company will get equity shares of MFL as consideration for merger as per the share swap ratio defined in the composite scheme.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2020

49 Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 15th June 2020 there were no material subsequent events to be recognized or reported that are not already disclosed

50 Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year

AS PER OUR REPORT OF EVEN DATE FOR S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta

Partner

Membership No : 101974

G S Chahal

Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad

Date : 15th June 2020

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

J.M.Patel - Executive Chairman (DIN - 00027224)

A.N.Soparkar - Managing Director (DIN - 00027480)

N.M.Patel - Managing Director (DIN - 00027540)

Place : Ahmedabad

Date : 15th June 2020

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

Part - A Subsidiaries

Details of Subsidiary Companies as on 31.03.2020

Details of Subsidiary Companies as on 31.03.2020											(Rs. in Lakhs)	
Sr. No.	Name of Subsidiary	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	PBT	Provision for Tax	PAT	Dividend	
1	Meghmani Finechem Limited	25,211.30	33,411.84	1,27,157.37	68,534.23	-	61,194.01	14,432.11	3,024.81	11,407.29	1,687.36	
2	Meghmani Organics USA INC	139.70	548.96	1,643.05	954.39	-	3,679.57	225.97	49.50	176.46	216.37	
3	P T Meghmani Organics Indonesia	123.30	(123.30)	-	-	-	-	-	-	-	-	
4	Meghmani Overseas FZE	4.56	6.51	77.99	66.92	-	857.12	(10.02)	(7.61)	(2.41)	556.99	
5	Meghmani Organochem Limited	5.00	-	5.00	-	-	-	-	-	-	-	

MEGHMANI ORGANICS LIMITED

CIN L24110GJ1995PLC024052

Registered Office: Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad - 382 445.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS hereby given that **Twenty Sixth Annual General Meeting** of the Company will be held on **Friday, 11th September, 2020 at 12:30 Noon** through Video Conferencing / Other Audio Visual Means to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider, and adopt:
 - (i) the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2020 together with report of the Board of Directors & Auditors thereon and
 - (ii) the Audited Consolidated Financial Statement of the Company for the financial year ended on 31st March, 2020 together with report of Auditors thereon.
2. To confirm the payment of Interim Dividend paid on Equity Shares for the financial year 2019-20.
3. To appoint a director in place of Mr. Jayanti Patel (DIN 00027224), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Ashish Soparkar (DIN 00027480), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:-

5. To Consider and if thought fit to pass the following resolution with or without modification as **SPECIAL RESOLUTION:-**

RE-APPOINTMENT OF MS. URVASHI SHAH (DIN07007362) AS INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination Committee and the Board of Directors, Ms. Urvashi Shah (DIN07007362) who holds office of Independent Director up to the conclusion of this Annual General meeting and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, proposing candidature of **Ms. Urvashi Shah (DIN07007362)** for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a Second term of five (5) consecutive years with effect from the date of this Annual General meeting or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To Consider and if thought fit to pass the following resolution with or without modification as **SPECIAL RESOLUTION:-**

APPOINTMENT OF PROF.(DR) GANAPATI YADAV (DIN: 02235661) AS DIRECTOR

“**RESOLVED THAT** pursuant to provisions of Section 149, 152 read with Schedule IV and all other provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 **Prof. (DR) Ganapati Yadav (DIN: 02235661)** who was appointed as an Additional Director of the Company, under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, **on 09th August, 2019**, and who holds office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Companies Act, 2013 from a member proposing candidature of **Prof. (DR) Ganapati Yadav (DIN: 02235661)** for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a period of five (5) consecutive years with effect from the date of this Annual General Meeting or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), and / or Company Secretary of the Company be and is hereby authorized to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To Consider and if thought fit to pass the following resolution with or without modification as **ORDINARY RESOLUTION:-**

APPOINTMENT OF COST AUDITOR OF THE COMPANY FOR FY 2020-21

“**RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 M/s. Kiran J Mehta & Co. Cost Accountants Ahmedabad (having Firm's Registration No. 000025), be and is hereby appointed as Cost Auditor of the Company for conducting the audit of the cost records of the Company for the Financial Year 2020-21 at a remuneration of **Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only)** per annum (apart from reimbursement of pocket expenses incurred for the purpose of Audit).”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:
184, PHASE II,
GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 15.06.2020

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

NOTICE OF ANNUAL GENERAL MEETING**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India; Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting (AGM) through **VC/ OAVM**. In terms of the said circulars, the **26th Annual General Meeting (AGM)** of the members of the Company will be held through VC/OAVM. So that, members can attend and participate in the AGM through **VC/OAVM** only. The **Members are requested not to visit Corporate Office / Registered Office to attend the AGM.**
2. Printed copy of the Annual report (Including Notice) is not being sent to the Members in view of e-AGM Circular.
3. The detailed procedure for participation in the meeting through **VC/OAVM** is available at the Company's website **www.meghmani.com**.
4. The Members can join the AGM through the **VC/OAVM** mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. **The facility of participation at the AGM through VC/OAVM available for 1,000 members on first come first served basis.** This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the **AGM**. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by **CDSL**.
6. **AGM** convened through **VC/OAVM** is in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
7. The attendance of Members attending the AGM through **VC/OAVM** will be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
8. The helpline number regarding any query / assistance for participation in the AGM through **VC/ OAVM** is **022-23058542/43**.
9. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at **www.nseindia.com** and **www.bseindia.com** respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) **www.evotingindia.com**.
10. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint **proxy to attend and cast vote for the members is not available for this AGM** and hence the **Proxy Form and Attendance Slip are not annexed to this Notice**. However, Pursuant to Section 112 and Section 113 of the Companies Act, 2013, representatives of the President of India or the Governor of State or the Body Corporates are entitled to attend the AGM through VC/OAVM and cast their votes through e-voting.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 04th September, 2020 to Friday, 11th September, 2020 (both days inclusive)** for the purpose of Annual General Meeting.
12. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. **Friday, 04th September, 2020**.
13. The Company has appointed **Mr. Mukesh Khandwala – Chartered Accountants** to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

NOTICE OF ANNUAL GENERAL MEETING

14. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
15. Members holding shares in electronic form and in physical form are hereby informed that the members desirous of either registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Registrar and Share Transfer Agent.
16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
17. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.**
18. Details in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
19. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in **the Notice will be available for inspection in electronic mode by sending an e-mail to helpdesk@meghmani.com.**
20. **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.
21. Members wishing to claim unclaimed dividends are requested to correspond with Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.
22. Members are requested to note that dividends not encashed or claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, will be, transferred to the **Investor Education and Protection Fund** as per Section 125 of the Companies Act, 2013.
23. The Company is pleased to provide members, facility to exercise their right to vote at the **26th Annual General Meeting (AGM)** by electronic means through e-Voting Services provided by **Central Depository Services (India) Limited (CDSL)**.
24. Since the AGM will be held through **VC/OAVM**, the Route Map is not annexed in this Notice.

NOTICE OF ANNUAL GENERAL MEETING

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING

- (i) The voting period begins on **Tuesday 8th September, 2020 at 9.00 AM.** and ends on **Thursday 10th September, 2020 at 5.00 PM.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, 04th September, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "**SUBMIT**" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

NOTICE OF ANNUAL GENERAL MEETING

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVS**N for the relevant **Meghmani Organics Limited** on which you choose to vote.
- (xiii) On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xiv) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- (xvi) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “**Click here to print**” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.**

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders-

Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front & back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -

Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

NOTICE OF ANNUAL GENERAL MEETING

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING AGM THROUGH VC/OAVM

1. Shareholder will be provided with a facility to attend the AGM through **VC/OAVM** through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for **VC/OAVM** will be available in shareholder/members login where the **EVSN** of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a **Speaker** by sending their request in advance **least 7 (Seven) days before the date of the Meeting** mentioning their name, demat account number/folio number, email id, mobile number at ir@meghmani.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (Seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ir@meghmani.com. These queries will be replied to by the company suitably by email.
6. Those Shareholders who have registered themselves as a **Speaker** will only be allowed to express their views/ask questions during the meeting. The time allotted to each **Speaker** is 3 (Three) minutes.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; ir@meghmani.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

NOTICE OF ANNUAL GENERAL MEETING

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the **Frequently Asked Questions ("FAQs")** and e-voting manual available at www.evotingindia.com, under help section or **write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).**

All grievances connected with the facility for voting by electronic means may be addressed to:

**Mr. Rakesh Dalvi, Manager,
Central Depository Services (India) Limited (CDSL),
A Wing, 25th Floor, Marathon Futurex,
Mafatlal Mill Compound,
N M Joshi Marg, Lower Parel (East),
Mumbai - 400013**

or

send an email to helpdesk.evoting@cdslindia.com or call on **022-23058542/43.**

CONTACT DETAILS	
COMPANY	MEGHMANI ORGANICS LIMITED "MEGHMANI HOUSE", B/H SAFAL PROFITAIRE, CORPORATE ROAD, PRAHALADNAGAR, AHMEDABAD- 380 015 E-MAIL:- helpdesk@meghmani.com
REGISTRAR AND TRANSFER AGENT	LINK INTIME INDIA PRIVATE LIMITED C 101, 247 PARK, L.B.S.MARG, VIKHROLI (WEST), MUMBAI - 400083. Tel: +91 022 - 4918 6270, Fax: +91 22 4918 6060 E-MAIL:- rrt.helpdesk@linkintime.co.in
E-VOTING AGENCY	CENTRAL DEPOSITORY SERVICES [INDIA] LIMITED E-MAIL:- helpdesk.evoting@cdslindia.com
SCRUTINIZER	MR. MUKESH KHANDWALA – Chartered Accountants M/S C N K KHANDWALA & ASSOCIATES E-MAIL - mukesh@cnkkhandwala.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

RE-APPOINTMENT OF MS. URVASHI SHAH (DIN07007362) AS INDEPENDENT DIRECTOR

Ms. Urvashi Shah (DIN07007362) was appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on **20th July, 2015** to hold office for a period of 5 (five) years ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination Committee at its Meeting held on **15th June, 2020** after taking into account the performance evaluation of first term of five years and considering the knowledge, acumen, expertise and experience in the field of finance/taxation and the contribution during her tenure as an Independent Director, since her appointment, has been recommended to the Board that her continued association as an Independent Directors would be in the interest of the Company.

Based on the above, the Board has considered the re-appointment of **Ms. Urvashi Shah (DIN07007362)** as Independent Director on the Board of the Company, to hold office for the **Second term of Five consecutive years** commencing from **11th September, 2020** and not liable to retire by rotation. The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature Ms. Urvashi Shah for her appointment to the office of Independent Directors.

Ms. Urvashi Shah is not disqualified for being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director of the Company.

Ms. Urvashi Shah :- (DIN07007362)

Name	Ms. Urvashi Shah
Age	64 years
Designation	Independent Director
Qualification	Bachelor of Arts (BA) Degree with Economics and having First class First rank of Gujarat University. Intermediate Exam of the Institute of Chartered Accountants of India.
Brief Profile	Practicing with Income Tax appellate Tribunal since last 16 years.
Interest in Other Entities	Nil

Your Directors recommend the resolution for your approval.

None of the Directors except Ms. Urvashi Shah is interested in this resolution

ITEM NO. 6

APPOINTMENT OF PROF. (DR) GANAPATI YADAV (DIN: 02235661) AS INDEPENDENT DIRECTOR

Pursuant to provisions of Section 149, 152 read with Schedule IV and all other provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 **Prof. (DR) Ganapati Yadav (DIN:02235661)** was appointed as an Additional Director of the Company, under Section 161 of the Companies Act, 2013 on **09th August, 2019**, and who holds office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Companies Act, 2013 from a member proposing his name to confirm the appointment by Members of the Company for a period of 5 (five) years.

Prof. (Dr) Ganapati Yadav :- DIN 02235661

Name	Prof. (Dr) Ganapati Yadav
Age	68 years
Designation	Additional Independent Director
Qualification	B. Chem. Eng. Ph.D. (Tech.), D.Sc. (Hon. Causa, DYPK), FTWAS, FNA, FASc, FNASc, FNAE, FRSC (UK), FISTE, FICHE (UK), FIICHE, FICS.
Brief Profile	Prof. (Dr) Ganapati Yadav, is well known researchers, educationalist and scientist. He is the Ex-founding Vice Chancellor and R.T. Mody Distinguished Professor, and Tata Chemicals Darbari Seth Distinguished Professor of Innovation and Leadership of the Institute of Chemical Technology (ICT), Mumbai. For his outstanding contributions to Science and Engineering he was conferred Padma Shri by the President of India in 2016. He is also honoured over 125 internationally recognized many prestigious and rare awards and fellowships. He has been an active consultant to industry with more than 71 assignments and over 75 sponsored research projects for past 32 years. He has been involved in many policy making prestigious committees of central and state governments.
Interest in Other Entities	1) Aarti Industries Limited. 2) Godrej Industries Limited 3) Bhageria Industries Limited 4) Clean Science And Technology Private Limited

Your directors recommend his appointment as Independent Director of the Company.

No one of the Directors except **Prof. (Dr) Ganapati Yadav** is interested in the resolution.

ITEM NO. 7 – APPOINTMENT OF COST AUDITOR

In accordance with the provisions of Section 148(2) and 148(3) of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for audit of Cost Records of Certain Pigment and Agrochemicals Products manufactured by the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Kiran J Mehta & Co., Cost Accountants (Firm's Registration No. 000025) as a Cost Auditor for Cost Audit of certain Pigment and Agrochemicals Products manufactured by the Company for the year 1st April, 2020 to 31st March, 2021 on a remuneration of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) (apart from reimbursement of out-of-pocket expenses incurred for the purpose of Audit) subject to approval of remuneration by the Members.

The Board of Directors recommend passing of the Ordinary Resolution at item **Number 7** of the Notice. None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution.

Registered Office:
184, PHASE II,
GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 15.06.2020

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

**STATEMENT AS PER LISTING AGREEMENT WITH REGARD TO
THE DIRECTORS PROPOSED FOR APPOINTMENT – REAPPOINTMENT:-**

(1) Mr. Jayanti Patel :- DIN 00027224

Name	Mr. Jayantibhai Meghjibhai Patel
Age	67 years
Designation	Executive Chairman
Qualification	B. E. (Chemical)
Brief Profile	Mr. Jayanti Patel currently oversees the international marketing of Company and is responsible for all major policy decisions. Mr. Jayanti Patel has more than 42 years of experience in the Dyes and Pigments industry and more than 25 years of experience in the Agrochemicals industry.
Interest in Other Entities	1) Meghmani Chemicals Limited 2) Meghmani Organics USA Inc. 3) PT. Meghmani Organics Indonesia 4) Ashish Chemicals 5) Meghmani Pigments 6) Arjan Owners LLP 7) Meghmani Organochem Limited 8) Alkali Manufacturers Association

(2) Mr. Ashish Soparkar:- DIN 00027480

Name	Mr. Ashish Natwarlal Soparkar
Age	67 years
Designation	Managing Director
Qualification	B. E. (Chemical)
Brief Profile	Mr. Ashish Soparkar currently oversees the Corporate affairs and Finance matters of our Company. Mr. Ashish Soparkar has more than 42 years of experience in the Dyes and Pigments industry and more than 25 years of experience in the Agrochemicals industry.
Interest in Other Entities	1) Meghmani Chemicals Limited 2) Meghmani Organics USA Inc. 3) Ashish Chemicals 4) Meghmani Pigments 5) Arjan Owners LLP 6) Meghmani Organochem Limited 7) Meghmani Exports Limitada Sa De CV Mexico



MEGHMANI ORGANICS LIMITED

Corporate Office : 'Meghmani House'

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