

ANNUAL REPORT

2013-2014



**MEGHMANI
ORGANICS LIMITED**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Jayanti M Patel
Ashish N Soparkar
Natwarlal M Patel
Ramesh M Patel
Anand I Patel
Balkrishna T Thakkar
Chinubhai R Shah
Jayaraman Vishwanathan
Kantibhai H Patel
Chander Kumar Sabharwal (Appointed on 02.08.2013)

AUDIT COMMITTEE

Balkrishna T Thakkar
Chinubhai R Shah
Jayaraman Vishwanathan

NOMINATING COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Jayanti M Patel

REMUNERATION COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Natwarlal M Patel

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

Chinubhai R Shah
Balkrishna T Thakkar
Ashish Soparkar

COMPANY SECRETARY

Kamlesh Dinkerray Mehta

REGISTRAR & SHARE TRANSFER AGENT - INDIA

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

INVESTOR SERVICES E - MAIL ID

helpdesk@meghmani.com

CORPORATE INFORMATION**SINGAPORE DEPOSITORY SHARES (“SDSs”)
REGISTRAR AND SDSs OFFICE**

Tricor Barbinder Share Registration Services
80, Robinson Road, #02-00,
Singapore 068898
Telephone No. (65) 6236 3552
Fax No. (65) 6236 3405
E-mail : helpdesk@meghmani.com

SINGAPORE SECRETARIAL AGENT

Tricor Evatthouse Corporate Services
80, Robinson Road, #02-00,
Singapore 068898
Telephone No. (65) 6236 3510
Fax No. (65) 6236 4399
E-mail : helpdesk@meghmani.com

REGISTERED OFFICE

Plot No. 184, Phase II,
G.I.D.C. Vatva,
Ahmedabad -382 445
Telephone No. 91-79-25831210
Fax No. 91-79-25833403
E-mail : helpdesk@meghmani.com

CORPORATE OFFICE

Meghmani House,
Shreenivas Society,
Off. Vikas Gruh Road
Paldi, Ahmedabad-380 007
Telephone No. 91-79-26640 668/669
Fax No. 91-79-26640670
E-mail : helpdesk@meghmani.com

MUMBAI OFFICE

Present Office :-
3/24, AC Market,
Tardeo Road, Mumbai 400 034

**PERMANENT OFFICE –
(BUILDING UNDER RECONSTRUCTION)**

Flat No. 22/23,
Vellard View Co.op. Housing Society,
Tardeo Road, Mumbai

CORPORATE INFORMATION

PLANT LOCATION

- | | |
|--|--|
| 1. Pigment Green – Division | Plot No. 184, Phase II,
G.I.D.C. Vatva,
Ahmedabad -382 445
Telephone No. 91-79-25831210
Fax No. 91-79-25833403
E-mail : helpdesk@meghmani.com |
| 2. Pigment Blue – Division | Plot No. 21,21/1,
G.I.D.C. Panoli,
District :- Bharuch
Telephone No. 91-2646-276352
Fax No. 91-2646-276374
E-mail : helpdesk@meghmani.com |
| 3. Pigment – Division – Dahej SEZ | Plot No. Z-31, Z-32,
Dahej SEZ Limited, - Dahej
Taluka :- Vagra, District :- Bharuch
Telephone No. 91-7567144279
Fax No. 91-2646-276374
E-mail : helpdesk@meghmani.com |
| 4. Agro Division – I | Plot No. 402,403,404 & 452,
Village :- Chharodi,
Taluka :- Sanand, District :- Ahmedabad
Telephone No. 91-2717-273251
Fax No. 91-2717-273254
E-mail : helpdesk@meghmani.com |
| 5. Agro Division – II | 5001/B,
G.I.D.C. Ankleshwar,
District :- Bharuch
Telephone No. 91-2646-222971
Fax No. 91-2646-222965
E-mail : helpdesk@meghmani.com |
| 6. Agro Division – III | Plot No - Ch-1+2/A
GIDC Dahej
Taluka : Vagra, District : Dahej-Bharuch-392130
Telephone No. 91-2641-256677 /88
E-mail : helpdesk@meghmani.com |
| 7. Agro Division – IV | Plot No. 22/2,
G.I.D.C. Panoli,
District :- Bharuch
Telephone No. 91-2646- 276577
E-mail : helpdesk@meghmani.com |

CORPORATE INFORMATION**PRINCIPAL BANKERS**

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

HDFC Bank Limited
Mithakhali,
Ahmedabad 380 009

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

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

AUDITOR

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

JOINT -AUDITOR

KPMG
Commerce House-V,
9th Floor, 902 & 903
Nr. Vodafone House,
Corporate Road, Prahladnagar,
Ahmedabad – 380 051

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CHAIRMAN'S STATEMENT

Dear Shareholders,

During the year under review, our Group - a leading manufacturer of pigment, pesticide and basic chemicals products in India faced many challenges like higher input costs, fluctuations in rupee dollar exchange rate, increase in borrowing costs etc. Despite the odd the Group has showed improvement in the financial results.

Financial Results:-

With the right strategies, we have mitigated our risks and ended Financial Year 2014 ("FY 2014") with a surge in Group Net Profit to ₹ 355 million with a increase in revenue to ₹ 11.57 billion. The main driver for increase in profitability is increase in turn over of Domestic sales of Agrochemicals and Exports of Pigment products arising from our vertically integrated business model. The Gross Profit of the group decreased to ₹ 146.4 million i.e. 7.7% in FY 2014 and Gross Margin reduced from 18.1% to 15%.

Despite challenges in FY 2014, the Board has proposed final dividend of ₹ 0.10 per share in FY 2014.

Financial Review:-

In FY 2014, revenues of Pigments and Agrochemicals both increased with Agrochemicals registering a growth of 16.8% year on year (yoy) ₹ 4.0 billion while revenue for Pigments increased by 27.7% yoy to ₹ 3.3 billion. While Caustic Chlorine, which overtook Pigments as the Group's second largest revenue contributor in FY 2014, registered a fell 9.1% yoy in revenue to ₹ 2.6 billion, due to decrease in production.

The Group's Agrochemical segment saw a 18.4% and 12.2% increase in revenue contribution from the export and domestic markets to ₹ 2.9 billion and ₹ 1.08 billion respectively from higher quantity sales as well completion of relocation of our operations at the Chharodi Plant to the Dahej Plant. As a result, the Group's Gross Profit from the Agrochemical segment in FY 2014 increased by 46.0% to ₹ 534.8 million while our margin increased from 10.8% to 13.5%. We also expect to see some improvements in revenue once our operations there are stabilized.

Our Pigments segment experienced a significant 94.8% revenue increase in the domestic market, caused by increase in quantity sales of CPC Blue and PG7. The revenue increase of 16.7% in the export market is driven by the increase in quantity sales of PG7, Alpha Blue and CPC Blue.

Despite increase in sales, our gross profit of Pigment declined by 28.6% yoy to ₹ 319.6 million while our margin of Pigment slipped from 17.2% to 9.6% in FY 2014. This is due to decrease in quantity sales of Beta Blue and differential payment of excise duty of earlier years.

Meanwhile, the revenue of Caustic Chlorine decreased by 9.0% in domestic sales, underpinned by higher sales quantity of our value added product Caustic Soda flake, our gross profit for this segment decreased by 21.8% to ₹ 781.2 million while our margin declined from 34.6% to 29.8% in FY 2014.

Our domestic market of India remained our largest revenue contributor in FY 2014, accounting for ₹ 4.4 billion or 38.5% of the Group's total revenue. North America accounted for the next biggest share of the revenue pie of ₹ 1.7 billion or 14.8%. The remaining regions accounted for the following share of revenues – Asia at 22.8% (₹ 2.6 billion), Europe at 7.3% (₹ 842.2 million), South America at 11.1% (₹ 1282.9 million), Africa at 4.7% (₹ 541.6 million) and Australia at 0.9% (₹ 102.6 million).

Industry Outlook:-

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

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

CHAIRMAN'S STATEMENT**Business Strategies:-**

Despite the positive landscape painted above, we remain vigilant as the Group faces an increasingly competitive global environment. In addition, we are exposed to volatility in the foreign exchange market, raw materials prices and finance cost. As such, we will remain watchful of exchange rate fluctuations, especially of the Rupee versus the Dollar and maintain our current vertically-integrated production structure to help us control costs as well as reduce supply chain disruptions.

For our Agrochemical business, we plan to launch at least three new generic products in CY 2015 and continue our efforts to develop new product formulations. We also plan to obtain new trademark registrations in regulated markets like the USA, Brazil and EU to aid in the marketing of our products overseas. At the same time, we will continue our focus on R & D to extend our pipeline of potential registrations, which is an important part of our future growth. As part of this strategy, we plan to invest in data generation and registrations, which could then be used in non-regulated markets. To-date, Meghmani has 131 export registrations, made applications for another 920 registrations worldwide, holds 222 registrations with the Central Insecticides Board (CIB), Faridabad and has 27 registered trademarks relating to our corporate identity and products, an improvement over FY 2014.

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

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

Meghmani Finechem a Limited (MFL) has completed capacity expansion of Caustic chlorine manufacturing from 340 TPD to 476 TPD and Captive power plant capacity from 40 MW to 60 MW and has commenced the commercial production of expanded capacity. MFL with expanded capacity is expected to earn total revenue of ₹ 475 Crore and Profit before Tax (PBT) of ₹ 75 Crores from full year of operation in FY 2015.

Meghmani Organics Limited (MOL) has also installed and commissioned ₹ 120 Crore eco friendly manufacturing facility situated at Plot No. Z 31 & Z 32, Dahej SEZ Limited, Dahej, Bharuch to manufacture CPC Blue, Beta Blue and Alpha Blue with less hazardous and eco friendly raw material. MOL is expected to generate estimated revenue of ₹ 200 Crore and Profit before Tax (PBT) of ₹ 20 Crores from full year of operation in FY 2015.

Acknowledgements:-

On behalf of the Board, I want to thank the management and staff of Meghmani, who have worked hard and dealt with various challenges to maintain our profitable position in FY 2014. I am also grateful to my fellow directors for their continued guidance, advice and foresight that helped steer the Group's business through the increasingly competitive industry landscape. Thank you also to our customers for your continued faith in our products and our business partners for your support of our business. Finally, I want to thank our shareholders for the trust and confidence you have given us. We will continue to strive for better results and returns for you.

Jayanti Patel
Executive Chairman

DIRECTORS' REPORT

To,
The Members,
Meghmani Organics Limited

Your Directors have pleasure in presenting Twentieth Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended on 31st March, 2014.

FINANCIAL RESULTS

₹ in Lacs

PARTICULARS	YEAR ENDED ON 31st MARCH, 2014	YEAR ENDED ON 31st MARCH, 2013
Net Revenue from operations	89328.40	74974.22
Other Income	418.48	1033.59
Total Revenue	89746.88	76007.81
Profit before Finance Cost & Depreciation	8141.95	6326.97
Financial Cost	3501.50	2723.64
Depreciation	3134.41	2636.07
Profit Before Extra Ordinary Item & Tax	1506.04	967.25
Extra Ordinary Item	49.54	87.28
Profit Before Tax	1456.50	879.97
Payment & Provision of Current Tax	115.00	66.58
Deferred Tax Expenses/(Income)	183.78	235.14
Profit After Tax	1157.72	578.25
Profit Available for Appropriation	1157.72	578.25
Transfer to Debenture Redemption Reserve	562.15	562.15
Transfer to General Reserve	30.00	0
Proposed Dividend	254.31	254.31
Dividend Tax	43.22	43.22
Balance Carried forward	268.04	(281.43)

DIVIDEND:-

Your directors have recommended a dividend of ₹ 0.10 per Equity share on 254,314,211 Equity Shares of ₹ 1/- each fully paid up for Financial year 2013-2014. The dividend will entail an out flow of ₹ 297.53 Lacs including dividend distribution tax. The proposed dividend is tax free in the hands of shareholders. The dividend is declared out of Profit of the current year.

OPERATING RESULTS:-

The Sales Turn over of the Company has increased by ₹ 14,034.93 Lacs (19.18%) i.e. from ₹ 73,166.67 Lacs in FY 2013 to ₹ 87,201.60 Lacs in FY 2014.

1) DOMESTIC SALES:-

The Domestic Sales increased by ₹ 4,476.72 Lacs (32.49%) i.e. from ₹ 13,778.75 Lacs in FY 2013 to ₹ 18,255.47 Lacs in FY 2014.

The Domestic Sales of Pigment Division increased by ₹ 3,510.37 Lacs (94.78%) i.e. from ₹ 3,703.86 Lacs in FY 2013 to ₹ 7,214.23 Lacs in FY 2014.

The Domestic sales of Agro Division increased by ₹ 1,105.15 Lacs (12.16%) i.e. from ₹ 9085.24 Lacs in FY 2013 to ₹ 10,190.39 Lacs in FY 2014.

DIRECTORS' REPORT**2) EXPORT SALES :-**

The Export Sales increased by ₹ 9,558.21 Lacs (16.09%) i.e. from ₹ 59,387.92 Lacs in FY 2013 ₹ 68,946.13 Lacs in FY 2014.

The Export Sales of Pigment Division increased by ₹ 2,289.75 Lacs (7.64%) i.e. from ₹ 29,981.97 Lacs in FY 2013 to ₹ 32,271.72 Lacs in FY 2014.

The Export Sales of Agro Division increased by ₹ 4,364.36 Lacs (17.33%) i.e. from ₹ 25,187.91 Lacs in FY 2013 to ₹ 29,552.27 Lacs in FY 2014.

3) OTHER INCOME :-

Other income decreased by ₹ 615.11 Lacs in FY 2014. This is due to reduction in Mark to Market gain on Derivative.

4) PROFITABILITY :-

Profit before tax increased by ₹ 576.53 Lacs i.e. by 65.52% while Profit after tax increased by ₹ 579.47 Lacs i.e. by 100.21%. The main reason for increase in Profitability is due to increase in sales.

INSURANCE:-

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

1) ACCIDENT AT ANKLESHWAR FORMULATION PLANT:-

A fire accident had taken place on 05.06.2013 in formulation plant of the Company situated at Plot No. 22/2, (Phase-IV), GIDC Panoli, Ankleshwar. No casualty had taken place. The Company had lodged the insurance claim of ₹1.61 Crore out of which the Company has received ₹ 1.47 Crore from Oreintal Insurance Company Limited, Ahmedabad.

2) ACCIDENT AT GIDC ANKLESHWAR AGROCHEMICAL PLANT:-

A fire accident had taken place on 20.02.2014 in Agrochemical plant of the Company situated at Plot 5001 B, GIDC Ankleshwar. No casualty had taken place. The Company has lodged the insurance claim of ₹ 1.74 Crore . The claim is under process.

FINANCE:-**RENEWAL OF WORKING CAPITAL FACILITY:-**

During the year under review, the Company has availed the long term Rupee Loan of ₹ 30 Crore from HDFC Bank Limited and ₹ 45 Crore from ICICI Bank Limited for its Pigment expansion project at Dahej SEZ Limited, Dahej, Taluka Vagra, Bharuch.

The consortium bank has also renewed Fund based and Non Fund based Working Capital Credit facilities up to ₹ 378 Crore. To avail the enhancement in facility execution of Security documents are in process.

CREDIT RATING:-

CARE has reaffirmed domestic credit ratings of Care A on 18th December, 2013 for Non Convertible Debentures of ₹ 100 Crore issued by the Company.

CRISIL has reaffirmed its rating outlook on the long-term bank facilities of Meghmani Organics Ltd. (MOL) to 'CRISIL A (Negative)'. The rating on MOL short-term bank facilities has also been reaffirmed as 'CRISILA1' on 11th November, 2013.

DIRECTORS' REPORT

PROJECT:-

The Company has started commercial production of CPC Blue and Beta Blue plant situated at Plot No. Z 31 & Z 32 of Dahej SEZ Limited, Dahej, Bharuch. While the Commissioning of Plant to manufacture Alpha Blue for 100 Mt per month capacity is in process. The Cost of Alpha Blue plant is estimated to be ₹ 15 Crore.

REGISTRATIONS :-

To date, 131 exports registrations have been received and applications for 920 registrations have been made in different parts of the world. The Company has 222 registration of Central Insecticides Board (CIB), Faridabad. The Company has 27 registered Trade Marks.

RESEARCH & DEVELOPMENT:-

The recognized in house Research and Development (R & D) Center of our Chharodi plant carries out development of off-patent molecules, improvements in process parameters, time cycle optimization, and scale up of new technology from laboratory to production level. During the year the Company has spent ₹ 154.70 lacs as Research & Development Expenses.

RELATED PARTIES :-

The note no. 31 of the Financial Statements sets out the nature of transactions with related parties. Transactions with Related Parties are carried out at arm's length. The details of such transactions were placed before the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :-

Your directors have constituted the Corporate Social Responsibility (CSR) Committee comprising Shri B T Thakkar Independent Director as Chairman and Shri Jayanti Patel, Shri Ashish Soparkar and Shri Natwarlal Patel as other members.

The said committee has been entrusted with the responsibility of formulating and recommending to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, and the amount to be spent on CSR activity.

CONSOLIDATED FINANCIAL STATEMENT :-

In accordance with the Accounting Standard AS – 21 on consolidated Financial Statement read with AS-23 on accounting for investment in Associates and AS – 27 on financial reporting of interest in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

SUBSIDIARY COMPANIES :-

The Company has following Seven subsidiaries.

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

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

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

DIRECTORS' REPORT

Accordingly, the Board of Directors of the Company has passed the necessary resolution on 23rd May, 2014 containing the conditions prescribed in the circular and giving consent to the Board to not to attach the Balance sheet.

Accordingly, the Annual Report 2013- 2014 does not contain the financial statements of our subsidiaries. The audited annual accounts and related information of subsidiaries will be made available to members upon request.

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

FIXED DEPOSITS:-

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

ANNUAL LISTING FEE:-

The Company has paid the annual listing fees for the year 2014-2015 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

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

CORPORATE GOVERNANCE:-

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:-

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

PARTICULARS OF EMPLOYEE :-

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

DISCLOSURE OF INFORMATION RELATING TO FOREIGN EXCHANGE OUTGO:-

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

DIRECTORS' RESPONSIBILITY STATEMENT:-

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

- a) that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- b) that appropriate accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2014 and of the profit of the Company for the year ended on 31st March, 2014;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

DIRECTORS' REPORT

DIRECTORS :-

To comply with the listing rules requirement, Mr. Chander Sabharwal was appointed as additional Independent Director on the board of the Company with effect from 02nd August, 2013. The Company has received the notice from the member for his re-appointment. The board recommends passing of the resolution.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Chinubhai R Shah and Mr. Balkrishna Thakkar, Independent Directors retiring by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment.

The term of Mr. Jayanti Patel - Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel as Managing Directors and Mr. Ramesh Patel and Mr. Anand Patel - Executive Director has expired on 31st March, 2014. They being eligible have offered themselves for re-appointment and the resolution has been placed for approval of Member.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting has been provided in the Notice of the Annual General Meeting, forming part of the Annual Report.

AUDITORS :-

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

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

To meet with Singapore Listing Rules requirement the Company is required to appoint Joint Auditor. The Company had appointed KPMG as Joint Auditor for FY 2013-2014 to comply with IFRS requirements. KPMG has offered themselves for re-appointment. They will be appointed as Joint Auditor at the next Annual General Meeting.

COST-AUDITORS

Pursuant to the direction of the Ministry of Corporate Affairs for appointment of Cost Auditor to carry out audit of cost accounts maintained by the Company for insecticides, your directors have appointed M/s. Kiran J Mehta & Co. Cost Accountants (Firm Registration number 00025) for the year ending on 31 March, 2014.

ACKNOWLEDGMENT

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

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

Place : Ahmedabad
Date : 23rd May, 2014

for and on behalf of the Board
Jayanti Patel
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

A	Energy conservation measures taken	1. Installation of energy meter
		2. Lighting Transformer. Neutral Ground Resistance
		3. Purchase of New DG sets
		4. 2500 KVA New Transformer for Panoli
		5. Extension Penal Control Center - Panoli & Ankleshwar
		6. Express Feeder line - Panoli & Ankleshwar
		7. Two number of Vacuum Circuit Braker
		8. Power Control Center with buss duck
B	Additional investments and proposals if any	Additional investment of ₹ 12.85 Mn
C	being implemented for reduction of consumption of energy	
	Impact of the measures at (a) & (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods.	1. Power Saving cost of around ₹ 3/- per unit on power purchased from GEB. 2. Continuous Power Supply
D	Total energy consumption and energy consumption per unit of production	As per Annexure Form A

FORM A**Form for disclosure of particulars with respect to conservation of Energy**

Particulars		2013-14	2012-13
A	Power Consumption		
1	Electricity Consumption		
(a)	Purchase		
	Unit KWH	4,77,69,615	23,161,632
	Total Amount ₹	30,55,42,297	157,326,535
	Rate/Unit ₹	6.40	6.79
(b)	Own Generation through Diesel Generator		
	Unit KWH	1,40,325	82,595
	Total Amount ₹	34,04,233	1,318,547
	Cost/Unit ₹	24.26	15.96
(c)	Own Generation through Steam Turbine/Generator		
	Unit KWH	93,98,289	20,168,711
	Cost / Unit ₹	10.27	6.45
2	Coal / Gas Consumption		
	Stem Generated (MT)	241,140	182,576
	Consumption of Coal /Lignite (MT)	36,448	18,294
	Gas Consumption (Cubic Meter)	4,005	6,169
	Cost per Unit (₹)	1.31	1.54
3	Others/Internal Generations		
B	Consumption per unit of		
	Production (MT)	29,196	22,077
	Electricity (₹/MT)	13,888	13,078

ANNEXURE TO THE DIRECTORS' REPORT

2. TECHNOLOGY ABSORPTION

Form-B

Form for disclosure of particulars with respect to technology absorption

Research & Development

1	Specific areas in which R & D is carried out by the Company.	Agrochemical – Insecticides Process Improvement & New Product Development Pigment – Beta Blue – NC – NCNF (15.3) & (15.4) Alpha Blue NC – NCNF (15.0) & (15.1)														
2	Benefits derived as a result of the above R & D.	The Products are at development stage. The benefits will be derived in the next year.														
3	Future Plan of Action	To take the product developed at R&D Level to Pilot Plant Level & from there to Plant Level														
4	Expenditure on R & D	<table><tr><td>Particulars</td><td>2013-14</td></tr><tr><td></td><td>₹ in lacs</td></tr><tr><td>a. Capital Expenses</td><td>16.80</td></tr><tr><td>b. Revenue Expenses</td><td>137.90</td></tr><tr><td>Total (a + b)</td><td>154.70</td></tr><tr><td>c. Total R & D Expenditure</td><td></td></tr><tr><td>As a percentage of turnover</td><td>18%</td></tr></table>	Particulars	2013-14		₹ in lacs	a. Capital Expenses	16.80	b. Revenue Expenses	137.90	Total (a + b)	154.70	c. Total R & D Expenditure		As a percentage of turnover	18%
Particulars	2013-14															
	₹ in lacs															
a. Capital Expenses	16.80															
b. Revenue Expenses	137.90															
Total (a + b)	154.70															
c. Total R & D Expenditure																
As a percentage of turnover	18%															

B. Technology Absorption, Adoption and Innovation:

A	Efforts, in brief, made towards technology absorption, adaptation and innovation.	-
B	Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.	-
C	Imported technology (imported during the last 5 years reckoned from the beginning of the financial year.)	During the last five years, no technology has been imported by way of foreign collaboration or otherwise for the existing products of the Company.

Foreign Exchange Earnings and Outgo

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

For and On behalf of the Board of Directors

Jayanti Patel

Executive Chairman

Place : Ahmedabad

Date: 23th May, 2014

MANAGEMENT DISCUSSION AND ANALYSIS**I. AGROCHEMICALS****1) INDUSTRY STRUCTURE:-**

There are broadly 5 categories of crop protection products:

1. **Insecticides:** Manage the pest population below the economic threshold level.
2. **Fungicides:** Prevent the economic damage due to fungal attack on crops.
3. **Herbicides:** Prevent/ inhibit/ destroy the growth of unwanted plants in a crop field.
4. **Bio pesticides:** These are derived from natural substances like plants, animals, bacteria & certain minerals. These are non-toxic & environmental friendly.
5. **Plant growth regulators:** India's agrochemical industry can be divided into producers of technical agrochemicals - the bulk actives - and formulators who compound actives in forms that enable use.

In India, there are about 125 technical grade manufacturers (10 multinationals), 800 formulators, over 145,000 distributors. 60 technical grade pesticides are being manufactured indigenously.

Many technical producers are forward-integrated into formulations, unlike in the pharmaceutical industry where there are who make nothing but active pharmaceutical ingredients (APIs).

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

2) GLOBAL MARKET:-

The Agrochemical industry is highly consolidated and consists of insecticides, fungicides, and herbicides. Lucintel's research indicates that developing countries such as China and India are demanding higher volumes of nutritious food, which will increase demand for agrochemicals. Agrochemicals have significantly increased farm productivity in both developed and developing countries.

Growth in revenue is expected to be higher than volume, owing to the increasing cost of pesticides. Development and registration of a pesticide active ingredient is one of the biggest components of cost for a pesticide company. Presently, the cost of innovation and registration of an active ingredient is about \$200 million, which is a 25% increase from year 2000. Companies spend extensively on the research and development of new chemicals and improving the performance of the existing ones.

The pressure, therefore, is for the agriculture industry to increase yields per acre, which can be achieved through increased usage of agrochemical products.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

3) INDIAN MARKET :-

The Indian Agrochemical Market predicts, growing at a CAGR of about 15%, the agrochemicals sector in India is likely to cross ₹ 25,000 crore mark by 2015. However, the huge potential of foreign investment in the Indian agrochemical market is undeniable.

The Companies in this sector should increase their investment in the field of research and development of agrochemicals which in turn will spur the exports increasing competitiveness in the global scenario.

The demand is also seasonal. India due to its inherent strength of low cost manufacturing and qualified low cost manpower is a net exporter of pesticides to countries such as USA and some European and African Countries.

India's global rank is fourth as a supplier of agrochemicals in the global market, after USA, Japan and China thereby indicating the significance of agrochemical industries in India.

However, the consumption of agrochemicals in India is surprisingly low (0.58 kg/hectare) as compared to USA where the consumption of agrochemicals is as high as 4.5 kg/hectare and Japan with an even higher consumption of 11 kg/hectare. Paddy (one of the chief crops of India) has the maximum pesticide consumption of 28% followed by cotton (20%) of the total agrochemicals consumption. (Source 3rd National Agrochemicals conclave 2013)

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

Availability of cheap labour and low processing costs offers opportunity for MNCs to setup their manufacturing hubs in India for their export markets. The sector is also driven by huge opportunity for contract manufacturing and research for Indian players due to large availability of technically skilled.

4) DIVISION WISE PERFORMANCE OF AGRO BUSINESS

Particulars	31.03.2014 ₹ in Mn	31.03.2013 ₹ in Mn
Domestic		
Agro - Chharodi (Agro – I)	23.79	82.74
Agro - Ankleshwar (Agro-II)	386.27	353.16
Agro - Dahej (Agro-III)	178.43	38.48
Agro - Panoli (Agro-IV)	430.55	434.14
Total	1019.04	908.52
Export		
Agro - Chharodi (Agro – I)	184.87	522.71
Agro - Ankleshwar (Agro-II)	1815.03	1198.51
Agro - Dahej (Agro-III)	611.86	391.55
Agro - Panoli (Agro-IV)	343.47	406.02
Total	2955.23	2518.79
Grand Total	3974.27	3427.31

MANAGEMENT DISCUSSION AND ANALYSIS**5) OVERVIEW OF THE COMPANY**

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

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

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

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

6) STRATEGY OF THE COMPANY:-

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

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

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

We have consciously developed our intellectual property rights in the form of trademarks for our products, as well as our logo and corporate name. Our logo and name, viz. "MOL" and "Meghmani" have been registered as trademarks. The Company has 27 registered Trade Marks.

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

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

To date, 131 exports registrations have been received and applications for 920 registrations have been made in different parts of the world. The Company has 222 registration of Central Insecticides Board (CIB), Faridabad.

MANAGEMENT DISCUSSION AND ANALYSIS

7) RISKS, CONCERNS AND THREATS – AGROCHEMICALS

Despite the strong growth drivers, Indian agrochemicals industry faces challenges in terms of low awareness among farmers (only 25-30% of the farmers are aware of agrochemical products and their usage). With large number of end users spread across the geography, managing inventory & distribution costs is a challenge for the industry players. Apart from this, as per feedback from leading industry players, rising sale of spurious pesticides and spiked bio-pesticides pose a major threat to industry growth.

The industry needs simplified registration norms for pesticides exports and increased scope of regulations to include all types of pesticides (including biopesticides). For effective regulatory policy, government and industry players need to work together to keep up the growth momentum.

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

We sell our products to customers from various countries in North America, Europe, Central and Latin America, Asia-Pacific, South Africa and Brazil. As a result, our business and future growth is dependent on the political, climatic, economic, regulatory and social conditions of these countries. The demand will also be driven by the rising food grain demand and increasing awareness about pesticide usage among the farmer community.

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

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

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

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

CHALLENGES :-

- 1) High Research and Development (R & D) costs:
- 2) Threat from Genetically Modified (GM) seeds:
- 3) Need for efficient distribution systems:
- 4) Support for Integrated Pest Management (IPM) & rising demand for organic farming:
- 5) Counterfeit Products:
- 6) Regulatory Hindrances:

II. PIGMENT :-

The Company is engaged in the manufacturing and exports of phthlocyanine pigments and its derivatives. Pigments are industrial chemicals which are used as coloring agents and find varied application in printing inks, plastics, paints, textiles and papers. Pigments are broadly classified into Organics and Inorganic Pigments.

1) INDUSTRY STRUCTURE: -

Coloured Organic Pigment business is estimated to be close to US \$ 6 billion market, of which Phthlocyanine, Azo and High Performance Pigment are main areas. In case of Phthlocyanine pigments, market size is in the range of 20% i.e. about US \$ 1 to 1.25 billion in size. In its latest study, Ceresana forecasts global revenues generated with pigments to increase to US\$34.2 billion in 2020.

The global pigments market is projected to grow at a CAGR of 4% from 2013 to 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

The global pigments market revenues are expected to reach USD 14.7 billion in 2018, growing at a CAGR of 4.5% from 2013 to 2018. In terms of volumes, pigments demand is expected to reach 4.4 million tons by 2018.

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

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

As far as pigments are concerned, the market size is 115,000 tonnes. The main consumer industries are printing inks, paints, plastics, rubber, etc., accounting for 70% of the end use.

Large proportion of the organic pigments produced is exported. The industry has grown at ~10% p.a. between FY07 and FY12 with exports growth at 14.5% p.a. Exports are estimated to grow to \$4.9 billion by 2017.

2) ASIA PACIFIC REGION TO REMAIN FASTEST GROWING

Asia-Pacific accounts for almost half of global consumption of pigments already and is expected to increase its share of the market even further. This region will continue to be the growth motor of the pigments industry, as China and India in particular are substantially increasing demand for pigments. Eastern Europe, the Middle East and South America will see demand rise by more than 3% p.a. each as well and thus contribute to the positive development of the pigment industry. The rather saturated markets in Western Europe and North America will slowly return onto a growth path after they suffered losses in the past couple of years. The Asia Pacific pigments market revenue is expected to reach market size of over USD 6.4 billion by 2018 (Source : Cersana).

3) ORGANIC PIGMENT DEMAND OUTPACE DYE CONSUMPTION

For their part, organic pigments find increasing use in inks and coatings due to their ability to provide intense and bright colors. However, drawbacks to the use of organic pigments include their generally higher price points than those of inorganics and their only moderate ability to provide capacity.

The best prospects are for high-performance products such as quinacridones, which will experience favourable gains as end users require more exacting properties from their coloring agents while specialized pigment grades will offer good opportunities due to their enhanced environmental acceptability and superior performance characteristics, classical or conventional grades are expected to continue to dominate the organic market. These relatively lower priced commodity organic pigments will remain widely employed in large-volume markets with less exacting performance standards for colorants, such as printing inks.

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

4) INDIAN MARKET

There has been a notable transition in the global arena during the last 2-3 decades in the manufacturing base of colorants, with a shift in production from Europe, USA and Japan to Asia viz. China, India, Taiwan, Thailand and Indonesia etc. With decline in production in most of the traditional centers, non-traditional centers like India and China are now preferred sources for supply of colorants to the global market. India had a distinctive edge over other centers however based on supportive Chinese government policies the threat from Chinese manufacturers is increasing. Preference for eco-friendly products has additionally cast responsibility on the industry to be more selective and improve the product range with greater focus on R&D. This would ensure quality and performance colorants to suit the market expectations.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Indian Paint Industry is expected to witness CAGR growth of 15% during FY 2012-2015.

5) OVER VIEW OF THE COMPANY

We have three dedicated manufacturing facilities for the manufacture of our Pigment products located at (1) GIDC Vatva, Ahmedabad where we manufacture our Pigment Green 7 products and (2) GIDC Panoli, near Ankleshwar where we manufacture our CPC Blue, Alfa and Beta Blue, Pigment Blue 15 products and (3) Dahej SEZ Limited where we manufacture CPC Blue, Alfa and Beta Blue.

6) DIVISION WISE PERFORMANCE OF PIGMENT BUSINESS :-

Particulars	31.03.2014 ₹ in Mn	31.03.2013 ₹ in Mn
Domestic		
Pigment – Vatva	112.87	52.65
Pigment – Panoli	608.44	317.74
Pigment – Dahej SEZ	0.11	0.00
Total	721.42	370.39
Export		
Pigment – Vatva	1342.01	1473.33
Pigment – Panoli	1830.45	1524.86
Pigment – Dahej SEZ	54.71	0.00
Total	3227.17	2998.19
Grand Total	3948.59	3368.58

7) STRATEGY OF THE COMPANY :-

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

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

8) RISKS, CONCERNS AND THREATS – PIGMENTS :-

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

INTERNAL CONTROL SYSTEM :-

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

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

Particulars	31.03.2014	31.03.2013
Sales Growth	19.18%	-9.12%
Profit before Depreciation, Interest and Tax (₹ Mn)	809.24	632.70
Profit Before Tax (₹ Mn)	145.65	88.00
Profit After Tax (₹ Mn)	115.77	57.82
Debt / Equity Ratio	0.81	0.70
ROE - Return on Equity	2.15	1.08
Earning Per Share	0.46	0.23
Book Value Per share	21.22	21.01

★ ★ ★

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereinafter "the Code") through Clause 49 in the Listing Agreement executed by the Company with stock exchanges. This report sets out the details of corporate governance systems and processes of the Company, as set out in Clause 49 and some of the practices followed by the Company on corporate governance, for the financial year ended 31st March, 2014.

SEBI has issued master circular No. SEBI/CFD/DIL/CG/2004/12/10 dated October 29, 2004 on Clause 49 of the Equity Listing Agreement. The revised Clause 49 would be applicable to all listed companies with effect from October 01, 2014.

1. The Company's Philosophy on Code of Governance

The Directors and Management of the Company and its subsidiaries are committed to maintain high standards of corporate governance in conducting its business and ensure that an effective self regulatory mechanism exists to protect the interest of our stakeholders (Investors, Customers, Suppliers and Government) and Singapore Depository Shareholders.

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

While in Singapore, Corporate Governance Standards are regulated by a revised Code of Corporate Governance issued by MAS on 2nd May 2012 by replacing the Code that was issued in July 2005.

The Company has complied with the requirements of the Corporate Governance in terms of Clause 49 of the Listing Agreement executed with Indian Stock Exchanges and Code of Corporate Governance replaced on 2012 by MAS under Singapore Listing Agreement.

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

2. Board of Directors

(i) Composition :-

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As on date, the Board of Directors comprises of 10 Directors, of which 5 (50%) are Non-Executive Independent while 5 (50%) are executive of which the Chairman is Executive and a Promoter of the Company. This complies with the requirements of Independent Director.

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

Name of Director	Designation	Category	Directorship in other Public Limited Companies	Committee Membership of other Companies
Mr. Jayanti Patel	Executive Chairman	Executive	4	Nil
Mr. Ashish Soparkar	Managing Director	Executive	5	Nil
Mr. Natwarlal Patel	Managing Director	Executive	8	Nil
Mr. Ramesh Patel	Executive Director	Executive	7	Nil
Mr. Anand Patel	Executive Director	Executive	5	Nil
Mr. Chinubhai R Shah	Independent Director	Non- Executive	9	5
Mr. Balkrishna T Thakkar	Independent Director	Non - Executive	1	Nil
Mr. Jayaraman Vishwanathan	Independent Director	Non – Executive	2	Nil
Mr. Kantibhai H Patel	Independent Director	Non – Executive	1	Nil
Mr. Chander Kumar Sabharwal*	Independent Director	Non - Executive	1	Nil

*Appointed on 02nd August, 2013

As per Section 149 (1) of the New Companies Act, 2013 none of the directors can hold directorship in more than 10 public companies and as per Clause 49 of Listing Agreement, a director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he is director. The Directors of the Company are in compliance with the requirements.

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

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

The intervening period between 2 (two) Board meetings was well within the maximum gap of four (4) months prescribed under Clause 49 of the Listing Agreement with Stock Exchanges.

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

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

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

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

Post Meeting Follow-up Mechanism

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

Recording Minutes of proceedings at Board and Committee Meetings:

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

Compliance:

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

During the financial year ended on 31st March, 2014 four meetings of the Board of Directors were held and the gap between two meetings did not exceed four months. The Board meetings were held on: 30.05.2013; 02.08.2013; 25.10.2013, and 25.01.2014. The last Annual General Meeting was held on 30th July, 2013.

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

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

*Appointed on 02nd August, 2013

COMMITTEES OF THE BOARD

Currently, there are four Board Committees:-

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

The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

3. Audit Committee

3.1 Composition of Committee:-

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

3.2 Meeting and Attendance :-

The Committee met four times during the year on 30.05.2013; 02.08.2013; 25.10.2013 and 25.01.2014

Name of the Director	Category of directorship	Qualification	No. of meetings attended
Mr. Balkrishna T. Thakkar	Chairman - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	4
Mr. Chinubhai R. Shah	Member- Independent Director	FCS, MA LLM	4
Mr. Jayaraman Vishwanathan	Member - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	2

In addition to the above, the Committee meetings were also attended by, Vice President (Finance & Accounts), Statutory Auditors and Internal Auditors.

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

3.3 Terms of Reference :-

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

- to review the audit plan and Company's external auditors report;
- to recommend appointment, remuneration and terms of appointment of auditors of the company;
- to review the financial statements of the Company before their submission to the Board;
- to review with management the quarterly financial statements of the Company before their submission to the Board;
- to review the co-operation given by the Company's officers to the external auditors;
- to discuss nature and scope of audit before audit commences with statutory auditors;
- to review the scope and results of internal audit procedures;
- to nominate external auditors for re-appointment;
- to review interested person transactions; and
- to generally undertake such other functions and duties as may be required by statute or by the Listing Manual, and by such amendments made thereto from time to time.

4. Remuneration Committee**4.1 Composition of Committee:-**

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

4.2 Meetings and attendance during the year:-

The Committee met on 30th May, 2013 particulars of meeting attended by members of the Committee are given below:

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

4.3 Terms of Reference :-

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

The Remuneration Committee will recommend to the Board a framework of remuneration for the Directors, key managerial personnel and other employees and determine specific remuneration packages for each Director.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee.

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

4.4 Remuneration Policy:-

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

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

4.5 Details of remuneration to all the Directors:-

Particulars of Remuneration of Directors for the year ended 31st March, 2014:

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

The Profit of the Company not being adequate in FY 2014 the Company has continued to pay remuneration as per Schedule XIII of the Companies Act, 1956. In FY 2014, the Company has paid minimum remuneration of ₹ 4,00,000/- per month (₹ 48,00,000/- per annum).

Particulars of sitting fees paid to Directors for the year ended 31st March 2014 :

Name of Independent Director	Sitting Fees ₹
Mr. Chinubhai R. Shah	225,000
Mr. Balkrishna T. Thakkar	225,000
Mr. Jayaraman Vishwanathan	60,000
Mr. Kantibhai H Patel	45,000
Mr. Chander Sabharwal	30,000
Total	585,000

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

5.1 Composition of Committee:-

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

5.2 Meetings and attendance during the year :-

The Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee of our Board were held on 20.05.2013; 02.08.2013; 25.10.2013 and 25.01.2014.

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

5.3 Terms of Reference:-

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

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

5.4 Details of shareholders' Complaints

Detail of Complaints received	Nos.
Number of Shareholders' Complaints received From 01.04.13 to 31.03.2014	1
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2014	0

6. Nominating Committee**6.1 Composition of Committee :-**

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

6.2 Meetings and attendance during the year :-

The Committee met on 20.05.2013 and 02.08.2013. The particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings attended
Mr. Chinubhai R Shah	Chairman - Independent Director	2
Mr. Balkrishna T Thakkar	Member - Independent Director	2
Mr. Jayanti Patel	Member - Executive Director	2

6.3 Terms of Reference :-

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Re-nomination of our Directors having regard to the Director's contribution and performance; and
6. Deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Chairman of Nominating Committee does the process for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board.

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

7. General Body Meeting :-

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

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

Financial Year	Category-Date and Time	Venue	Special – Resolutions passed
2011	Annual General Meeting 29 July, 2011 at 10.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. To exercise borrowing powers not exceeding ₹ 1000 Crore under Section 293 (1) (d) of the Companies Act, 1956 2. To create mortgage charge under Section 293 (1) (a) of the Companies Act, 1956 not exceeding ₹ 1000 Crore
2012	Annual General Meeting 30 July, 2012 at 09.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. To increase the existing ceiling of remuneration payable to Ms. Deval Soparkar, Mr. Ankit Patel and Mr. Karana Patel as per Director' Relatives (office or Place of Profit) Rules 2003. 2. Appointment of Mr. Darshan Patel to hold office or place of profit. 3. To make loans and /or to make investments in excess of limits prescribed under Section 372 A
2013	Annual General Meeting 30 July, 2013 at 09.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	No Special Resolution passed

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

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

8.2. Details of Non Compliance :-

The Company has complied with the necessary requirements and no penalties or strictures were imposed on the Company either by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years. BSE had suspended trading in FY 2012 for a temporary period due to difference in presentation of Singapore Depository shares in Shareholding pattern.

8.3. Non Mandatory requirements :-

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

8.4. Accounting Treatments :-

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

8.5. Corporate Governance of Subsidiaries :-

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

Meghmani Finechem Limited is a material non listed Indian subsidiary company. Accordingly as per listing rules two independent directors of Meghmani Organics are on the Board of Meghmani Finechem Limited.

8.6. CEO/CFO Certification :-

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

8.7. Auditors' Certificate on Corporate Governance :-

The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance prescribed under Clause 49 of the Listing agreement with Stock Exchanges which forms part of this report.

8.8. Report on Corporate Governance :-

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

8.9. Code of Conduct :-

The Company has adopted a code of conduct for its directors and designated senior management personnel. All the Board members and senior management personnel have agreed to follow compliance of code of conduct.

8.10. Management Discussion and Analysis Report :-

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

8.11. Insider Trading :-

All the directors and senior management personnel have affirmed compliance with the Corporate Code laid down by the Board of Directors of the Company. The Executive Chairman, the Managing Directors and Company Secretary have made the necessary certification to the Board of Directors of the Company.

8.12. Disclosures regarding Re-appointment of Directors

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

8.13. Equity shares in Suspense Account

As per Clause 5A (I) of the Listing Agreement, 2100 Equity shares of ₹ 1/- each are lying in the suspense account which were issued pursuant to the Public issue of Equity shares to list Equity shares on Indian Stock Exchanges.

The Voting rights on the shares standing in the suspense account as on 31st March, 2014 shall remain frozen till the rightful owner of such share claims the shares.

9 Means of Communication

9.1 Quarterly results

The Unaudited quarterly/half yearly financial statements are announced within one month of the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Indian and Singapore Stock Exchanges where the Company's securities are listed.

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

9.2 Announcement of Financial Result

The audited annual results are announced within sixty days from the end of the last quarter i.e. 31st March to meet with the requirements of Singapore Listing requirements. The audited annual financial results were announced on 23 May, 2014. The aforesaid audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. These results are then given by way of a press release to news agency and published within 48 hours in two leading daily news papers – one in English and one in Gujarati. The audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting

9.3 Website where presentation made are displayed

The presentation and official news releases are submitted to the stock exchanges and placed on the website : www.meghmani.com

9.4 Green Initiative for Paperless Communications

To support the "Green Initiative in the Corporate Governance", an initiative has been taken by the Ministry of Corporate Affairs (MCA). The Company has sent the soft copies of Annual Report 2013-14 to those members whose email ids were registered with the Depository Participants (DPs) after informing them suitably.

9.5 Outstanding Singapore Depository Receipt Shares:

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

As on 31st March, 2014 an aggregate of 101,676, 300 SDSs each of ₹ 0.50 paise representing 50,838,150 Equity Shares of ₹ 1/- each is outstanding. The conversion of SDSs in to Equity shares will not have any impact on paid up capital or cash position of the Company. The Closing SDS price as on 31st March, 2014 was 13.80 Cent.

9.6 Reminders to unpaid dividend:

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

10 General Shareholder Information :-**I. Annual General Meeting :-**

Date	Monday, 28 July, 2014
Venue	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad
Time	10.00 a.m.
Last date of receipt of Proxy	Saturday 26 July, 2014 (before 10.00.a.m.)
Posting of Annual Report	03 rd July, 2014

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 31st March, 2014 were held on the following dates:-

Financial Calendar 2013-2014

First Quarter Results	02 August, 2013
Second Quarter and Half yearly results	25 October, 2013
Third Quarter Results	25 January, 2014
Fourth Quarter & Annual Results	23 May, 2014

Financial Calendar 2014-2015

First Quarter Results - 30.06.2014	Within 45 days from the close of quarter
Second Quarter Result - 30.09.2014	Within 45 days from the close of quarter
Third Quarter Results - 31-12-2014	Within 45 days from the close of quarter
Fourth Quarter - 31-03-2015	Within 60 days from the close of quarter

III. Date of Book Closure :-

Book Closure dates	Monday 21 July, 2014 to Monday 28 July, 2014
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IV. Dividend payment :-

The Board of Directors at their meeting held on 23rd May, 2014 recommended a final dividend of ₹ 0.10 per equity shares of the face value of ₹ 1/- each for the financial year 2013-2014, subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid within the prescribed statutory period.

V. Listing details of Equity shares:-

Name of Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	MEGH.NS
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532865
Singapore Stock Exchange	2 Shenton Way #19-00 SGX Centre 1 Singapore 068804	MEGH.SI

Listing details of Debenture Holder:-

Name of Stock Exchange	Address
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The listing fee for the financial year 2014-2015 has been paid to the above stock exchange.

VI. Stock code :-

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

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

VII. Share Market Price data :-

The Monthly high and Low prices and volumes of Meghmani Organics Limited (MOL) share at National Stock Exchange (India) Limited (NSE) and Bombay Stock Exchange Limited for the year ended on 31 March, 2014 are as under :-

National Stock Exchange:-

Month	MOL Share Price			No. of shares traded during the month	Turn Over ₹ in lacs
	High ₹	Low ₹	Close ₹		
April – 2013	6.75	5.60	5.55	477486	28.19
May – 2013	6.95	5.95	5.00	855003	51.41
June – 2013	5.90	5.40	3.90	1384459	62.81
July – 2013	4.80	4.00	3.80	1362006	54.72
August – 2013	4.70	4.00	3.80	612097	25.50
September – 2013	4.55	4.25	3.90	589285	24.47
October – 2013	7.35	3.90	3.90	2178015	129.60
November – 2013	8.35	6.95	6.30	1628628	121.11
December – 2013	10.20	7.45	7.10	2215916	206.81
January – 2014	10.00	9.95	8.00	1517752	135.13
February – 2014	8.40	8.00	7.00	692056	51.60
March – 2014	9.25	7.15	6.80	3624378	295.65
Total				17137081	1187.00

Bombay Stock Exchange:-

Month	MOL Share Price			No. of shares traded during the month	Turn Over ₹ in lacs
	High ₹	Low ₹	Close ₹		
April – 2013	6.35	5.25	6.10	226674	13.36
May – 2013	6.99	5.52	5.78	468329	28.19
June – 2013	5.85	3.90	3.99	623038	29.23
July – 2013	4.40	3.76	4.00	708347	28.53
August – 2013	5.07	3.80	4.15	358965	15.06
September – 2013	4.84	3.85	3.91	316507	13.31
October – 2013	7.40	3.95	6.77	1757203	101.52
November – 2013	8.35	6.30	7.20	934839	68.95
December – 2013	10.25	7.30	9.95	2046581	184.36
January – 2014	9.98	8.03	8.12	1292775	115.57
February – 2014	8.45	6.80	7.23	601500	44.82
March – 2014	8.95	6.87	8.48	1589072	127.86
Total				10923830	770.76

VIII. Registrar and Transfer Agent :-

The Company in compliance with SEBI guidelines has appointed Link Intime India Private Limited as a common share transfer agent for Physical and Electronic form of shareholding.

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound

LBS Road, Bhandup (West),

Mumbai 400 078. India.

Tel: +91 22 2596 0320

Fax: +91 22 2596 0329

IX. Share Transfer System :-

Job of Registrar and Transfer Agents is carried out by Link Intime India Private Limited, Mumbai, Transfer and dematerializations of shares are processed by Link Intime India Private Limited, Mumbai. The transfer of shares in depository mode need not be approved by the Company. The Physical transfers of shares are approved by Shareholders' / Investors' Grievance and Share Transfer Committee.

X. Distribution of Shareholding :- 31.03.2014

Category	Shareholders		Shares of ₹ 1/- each	
	Number	Percent	Number	Percent
1-500	41052	72.23	10182172	4.00
501-1000	7911	13.92	6950946	2.73
1001-2000	3794	6.68	6105263	2.40
2001-3000	1298	2.28	3422443	1.35
3001- 4000	561	0.99	2064850	0.81
4001- 5000	626	1.10	3028376	1.19
5001-10000	784	1.38	6010226	2.36
10001- & ABOVE	806	1.42	216549935	85.16
Total	56832	100.00	254314211	100.00

Share holding pattern :- 31.03.2014

Category	No. of shares	Value of shares	%
CLEARING MEMBER	1015713	1015713	0.40%
OTHER BODIES CORPORATE	5931602	5931602	2.33%
FOREIGN INST. INVESTOR	3218653	3218653	1.27%
GLOBAL DEPOSITORY RECEIPTS	50838150	50838150	19.99%
NON RESIDENT INDIANS	1173767	1173767	0.46%
NON RESIDENT (NON REPATRIABLE)	231952	231952	0.09%
PUBLIC	63027043	63027043	24.78%
PROMOTERS	93954963	93954963	36.94%
RELATIVES OF DIRECTOR	34912365	34912365	13.73%
TRUSTS	10003	10003	0.00%
GRAND TOTAL	254314211	254314211	100.00

XI. Dematerialization of Shares and Liquidity Distribution: 31.03.2014

Share Capital	No. of shares	%
Listed Capital	254314211	100.00
Held in Dematerialized form :-		
National Depository Limited	224904872	88.44
Central Depository Limited	29159164	11.46
Held in Physical Form	250175	0.10
	254314211	100.00

Distribution of Shareholding :- 12.06.2014 (As per Singapore rules)

Size of SDS	SDS Shareholders		No. of SDS of ₹ 0.50/- each	
	Number	Percent	Number	Percent
1 - 999	5	0.81	1,302	-
1,000 - 10,000	237	38.54	1,502,000	1.53
10,001 - 1,000,000	362	58.86	29,904,698	30.43
1,000,001 AND ABOVE	11	1.79	66,872,300	68.04
TOTAL	615	100.00	98,280,300	100.00

Twenty Largest Singapore Depository Shares ("SDS") Holders 12.06.2014 (As per Singapore rules)

Sr. No.	NAME OF SDS HOLDER	NO. OF SDS	%
1	ELECTRA PARTNERS MAURITIUS LIMITED	28,389,320	28.89
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	10,141,000	10.32
3	WATERWORTH PTE LTD	9,500,000	9.67
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,770,000	4.85
5	CITIBANK NOMINEES SINGAPORE PTE LTD	4,270,980	4.35
6	HSBC (SINGAPORE) NOMINEES PTE LTD	3,145,000	3.20
7	RASHMI LODHA	1,910,000	1.94
8	MAYBANK KIM ENG SECURITIES PTE LTD	1,275,000	1.30
9	TEO CHIANG SONG	1,200,000	1.22
10	WU CHUNG SHOU	1,200,000	1.22
11	RAFFLES NOMINEES (PTE) LTD	1,071,000	1.09
12	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	1,000,000	1.02
13	LEOW SAU CHING HELENA	1,000,000	1.02
14	PHILLIP SECURITIES PTE LTD	836,000	0.85
15	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	800,000	0.81
16	SEE BENG LIAN JANICE	800,000	0.81
17	DBS NOMINEES PTE LTD	721,000	0.73
18	BANK OF SINGAPORE NOMINEES PTE LTD	704,000	0.72
19	LEOW ON CHU	700,000	0.71
20	LIM LENG CHYE	700,000	0.71
21	PEH KIAM CHOON	700,000	0.71
	Total	74,833,300	76.14

Independent Directors shareholding:-

Particulars of Equity Shareholding of Independent Directors : 31.03.2014

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

XII. Location of Manufacturing facility:-

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

XIII. Investor Correspondence :-

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

Mr. K D Mehta - V P (Company Affairs)
Meghmani Organics Limited
Meghmani House, Shreenivas Society, Vikasgruh Road,
Paldi, Ahmedabad -380 007
helpdesk@meghmani.com

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

In accordance with Clause 49(I)(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the financial year ended on 31st March, 2014.

Place : Ahmedabad
Date : 23rd May, 2014

FOR Meghmani Organics Limited
Ashish Soparkar
Managing Director

**AUDITORS CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF
THE LISTING AGREEMENT**

To,
The Members of the
Meghmani Organics Limited,

We have examined the compliance of conditions of corporate governance by Meghmani organics Limited for the year ended **31st March, 2014**, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The Compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned clause of listing agreement.

We have been explained that no investor grievances remaining unattended/pending for a period exceeding one month as on **31st March, 2014**.

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

Place : Ahmedabad
Date : 23th May, 2014

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

INDEPENDENT AUDITORS' REPORT

To the Members of

MEGHMANI ORGANICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Meghmani Organics Limited**, which comprise the **Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended**, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

Report on Other Legal and Regulatory Requirements

1. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

INDEPENDENT AUDITORS' REPORT

- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

**PLACE : AHMEDABAD
DATE : 23rd MAY, 2014**

ANNEXURE TO AUDITOR'S REPORT

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

1. (a) The company has maintained records under SAP showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to three Subsidiaries Companies, listed in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at anytime during the year is ₹ 11,19,44,047/- and year-end balance is ₹ 10,47,55,650/-.
- (b) In our opinion and according to the information and explanation given to us the company has not charged interest on loan given to Subsidiaries. The other loans are interest free and rate of interest and other terms and conditions of loan given by the company are prima facie not prejudicial to the interest of the Company.
- (c) The said interest free loan given to the Subsidiaries of the company is repayable on demand.
- (d) In respect of the loan given by the company, no overdue amount arises as the loans are repayable on demand.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, during the year Company has taken unsecured loan of ₹ 7,00,00,000/- from Meghmani Finechem Limited, a subsidiary company, listed in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at anytime during the year is ₹ 32,04,25,584/- and year-end balance is ₹ NIL.
- (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of loan taken by the company are prima facie not prejudicial to the interest of the Company.
- (g) As informed to us, company is regular in repayment of principal amount and interest as per terms.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets, payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000/- in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for items stated to be of specialized nature where no comparison is possible.

6. The Company has not accepted any deposits from the public covered under Section 58A and 58AA of the Companies Act, 1956.
7. The company has appointed a firm of Chartered Accountants as Internal Auditors. In our opinion the system of internal audit is commensurate with its size and the nature of its business.
8. The Central Government has prescribed maintenance of cost records vide Notification F/52/26/CAB-2010 dated 24th January 2012 issued by Government of India, in respect of product of the Company. We have broadly reviewed the books of accounts maintained by the company under SAP environment. We are of the opinion that prima facie records have been maintained. We have not however made detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including, Provident Fund, Investor Education Protection Fund, Employers' State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable to it with the appropriate authorities. According to the information given to us, no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31st March, 2014 for the period more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the statutory dues which have not been deposited on account disputes are given below:

Name of Statute	Nature of Dues	Figures (in ₹)	Forum where dispute is pending
Income Tax	Income Tax/ Penalty for Various Financial Years 2000-2001, 2002-2003 to 2008-2009	6,45,90,593	Commissioner of Income Tax (Appeal)/Income Tax Appellate Tribunal/High Court
Central Excise Tariff Act	Excise Duty/ Penalty/ Interest	3,87,26,873	Commissioner of Central Excise /Director General of Central Excise/ Audit Team of Central Excise / Central Excise Services Tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest	2,81,86,979	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	1,76,65,351	Labour Court
Value Added Tax	Input Tax Credit	2,29,13,312	The Joint Commercial Tax Appeals

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds and other Investments. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
15. According to the information and explanations given to us, the Company has given guarantees for loan taken by Subsidiary Companies from a bank or financial institution. The terms and condition whereof in our opinion are not prima facie prejudicial to the interest of the Company.

16. According to the information and explanation given to us, all term loans obtained are used for the purpose for which they have been obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor we have been informed of such case by the management.

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

**PLACE : AHMEDABAD
DATE : 23rd MAY, 2014**

Balance Sheet as at 31st March 2014

PARTICULARS	Note No.	(Figures in ₹)	
		31 st March, 2014	31 st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	254,314,211	254,314,211
(b) Reserves and surplus	3	5,141,351,184	5,089,497,254
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,250,000,000	1,128,145,171
(b) Deferred tax liabilities (Net)	5	252,200,694	233,823,057
(c) Long-term provisions	6	406,421,891	265,033,552
(3) Current liabilities			
(a) Short-term borrowings	7	2,459,837,178	2,464,325,400
(b) Trade payables	8	1,631,586,994	1,341,839,872
(c) Other current liabilities	9	957,548,086	462,927,908
(d) Short-term provisions	10	48,024,902	59,584,665
TOTAL		12,401,285,140	11,299,491,090
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		3,667,806,009	2,512,715,266
(ii) Intangible assets		40,360,853	53,752,596
(iii) Capital work-in-progress		122,803,417	849,457,126
(iv) Intangible assets under development		90,580,766	38,942,436
(b) Non-current investments	12	1,380,840,450	1,380,840,450
(c) Long-term loans and advances	13	117,507,206	261,039,899
(d) Other non-current assets	14	30,975,731	37,426,859
(2) Current assets			
(a) Inventories	15	2,086,046,819	1,482,310,837
(b) Trade receivables	16	3,311,703,354	3,282,265,291
(c) Cash and Cash Equivalents	17	76,514,370	17,463,445
(d) Short-term loans and advances	18	1,265,224,099	1,205,937,049
(e) Other current assets	19	210,922,066	177,339,836
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 34		
TOTAL		12,401,285,140	11,299,491,090

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTSM. M. KHANDWALA
PARTNER

M. NO.: 32472

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014K. D. Mehta
Company Secretary

For and on Behalf of Board

J. M. PATEL – Executive Chairman

A. N. SOPARKAR – Managing Director

N. M. PATEL – Managing Director

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014

Statement of Profit and Loss for the year ended on 31st March 2014

PARTICULARS	Note No.	(Figures in ₹)	
		31 st March, 2014	31 st March, 2013
Income			
Revenue from operation		9,511,398,045	8,087,526,847
Less: Excise duty		578,558,231	590,104,704
Net Revenue from operation	20	8,932,839,814	7,497,422,143
Other Income	21	41,848,279	103,359,236
Total Income		8,974,688,093	7,600,781,379
Expenditure			
Raw Materials consumption	22	5,453,003,507	4,615,738,721
Trading purchases		753,215,308	408,552,334
(Increase)/Decrease in Stock	23	(548,220,836)	(161,372,947)
Employees emoluments	24	427,919,281	343,750,740
Financial expenses	25	350,149,890	272,364,499
Depreciation	11	313,441,387	263,607,237
Other expenses	26	2,074,575,349	1,761,415,819
Total Expenditure		8,824,083,886	7,504,056,403
Profit Before Extraordinary Items & Tax		150,604,207	96,724,976
Extra ordinary Item	27	4,954,417	8,728,177
Profit Before Tax		145,649,790	87,996,799
Current Tax		31,000,000	19,500,000
MAT Credit Entitlement		(19,500,000)	-
(Excess) / Short Provision of tax of earlier years		-	(12,841,854)
Deferred tax	5	18,377,637	23,513,780
Profit for the year		115,772,153	57,824,873
Basic and Diluted Earning Per Share of face value of ₹ 1 each	28		
before Extraordinary item		0.47	0.26
after Extraordinary item		0.46	0.23
Significant accounting policies	1		
Notes forming part of accounts	1 to 34		

AS PER OUR ATTACHED REPORT OF EVEN DATE

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**

**M. M. KHANDWALA
PARTNER**

M. NO.: 32472

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014

**K. D. Mehta
Company Secretary**

For and on Behalf of Board

J. M. PATEL – Executive Chairman

A. N. SOPARKAR – Managing Director

N. M. PATEL – Managing Director

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
A. Cashflow from Operating Activities		
Net Profit Before Tax	145,649,790	87,996,799
Adjustment for :		
Depreciation	313,441,387	263,607,237
Unrealised Foreign Exchange	10,511,965	34,985,691
Mark to Market Loss on Derivative	105,910,889	(63,666,488)
Liability no longer required	(15,918,529)	(1,022,225)
Interest and Finance Charges	350,149,890	272,364,499
Wealth Tax presented under rates & taxes	478,428	786,279
Dividend Received	(30,001)	(30,001)
Interest Received	(36,185,980)	(14,517,769)
(Profit) / Loss on Sale of Fixed Assets	(2,413,394)	86,355
Operating Profit before working capital changes	871,594,445	580,590,377
Adjustment for:		
Inventories	(603,735,982)	(119,919,340)
Trade Receivables	(29,438,063)	(64,271,479)
Short Term Loans and Advances	15,435,342	(127,333,913)
Other Current Assets	(35,486,803)	61,182,777
Long Term Loans and Advances	(3,358,130)	(15,414,867)
Trade Payables	305,665,651	369,427,161
Other Current Liabilities	44,005,023	12,108,153
Provisions	3,158,029	(9,398,648)
Sub Total	(303,754,933)	106,379,844
Cash Generated from operation	567,839,512	686,970,221
Direct Taxes Paid	(91,558,163)	(4,505,083)
Net Cash from operating activities	476,281,349	682,465,138
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(675,877,718)	(602,195,853)
Loan & Advances to Related Parties	-	104,671,390
Fixed Deposits made	(223,086)	(155,933)
Capital Advances	146,890,823	(183,076,133)
Deferred Payment to GIDC	(9,996,881)	9,996,881
Dividend Received	30,001	30,001
Interest Received	36,012,500	14,369,877
Unsecured Loan from Subsidiary Company	(305,191,165)	305,191,165
Investment in Subsidiaries	-	(241,534,890)
Sale of Fixed Assets	6,281,907	4,410,820
Net Cash Used in Investing Activities	(802,073,619)	(588,292,675)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
C. Cash flow from financing Activities		
Dividend paid	(25,253,581)	(25,260,988)
Tax on dividend	(4,322,070)	(4,125,612)
Interest and Finance Charges Paid	(468,736,891)	(318,523,944)
Short Term Borrowings	229,702,943	205,521,160
Proceeds from Other Borrowing	2,338,000,000	1,453,300,000
Other Borrowing Repaid	(2,267,000,000)	(1,325,600,000)
Proceeds from Bank Borrowing (Term Loan)	750,000,000	-
Bank Borrowing (Term Loan) - Repaid	(146,052,984)	(146,052,984)
Net Cash Used in Financing Activities	406,337,417	(160,742,368)
Net (Decrease)/ Increase in Cash and Cash Equivalent	80,545,147	(66,569,905)
Cash on Hand -Opening Balance	14,769,303	95,468,703
Cash on Hand -Closing Balance	95,314,450	28,898,798
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	76,514,370	17,463,445
Less - Fixed Deposit in Bank not considered as Cash and Cash Equivalent	2,898,676	2,694,142
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts (Includes ₹ 20,55,191 (Previous Year ₹ 18,77,351) Pertains to Unpaid Dividend & IPO Refund Account being restricted for use)	22,190,383	12,583,076
Fixed Deposit with Bank	50,000,000	-
Cash on Hand	1,425,311	2,186,227
Cash and Cash Equivalents	73,615,694	14,769,303
Net effect of Unrealised Exchange Difference	21,698,756	14,129,495
Cash & Cash Equivalent at the end of the year	95,314,450	28,898,798

Notes to the cash flow statement for the year ended on 31.03.2014

- (1) The Cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash flow statement" issued by the Institute of Chartered Accountants of India.
- (2) Figures in brackets indicate cash outgo.
- (3) The previous year figures have been regrouped/restated wherever necessary to conform to this year's classification.

AS PER OUR ATTACHED REPORT OF EVEN DATE

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**

**M. M. KHANDWALA
PARTNER**

M. NO.: 32472

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014

**K. D. Mehta
Company Secretary**

For and on Behalf of Board

J. M. PATEL – Executive Chairman

A. N. SOPARKAR – Managing Director

N. M. PATEL – Managing Director

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES****1.1 BASIS FOR PREPARATION OF ACCOUNTS**

The Financial Statements have been prepared to comply with all material aspects in respect with the notified Accounting Standards by Companies Accounting Standard Rules, 2006, standards issued by Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956.

Accounting policies have been consistently applied by the Company.

1.2 USE OF ESTIMATES

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

1.3 REVENUE RECOGNITION

i) Revenue is recognised only when it can be reliably measured and it is reasonable to accept ultimate collection.

ii) Sales

Sales are recognised on transfer of significant risks and rewards of ownership to the buyer. Domestic Sales are accounted on exclusive of Excise, net of Central Sales Tax, VAT, sales return and rate difference, if any. Exports sales are accounted on the basis of dates of Bill of Lading. Sales do not include Inter Division transfer.

iii) Export Benefits

Incomes in respect of Duty Drawback and Duty Entitlement Pass Book Scheme (DEPB) in respect of exports made during the year are accounted on accrual basis. Profit or losses on transfer of DEPB licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses

iv) Dividend income is recognised on the basis of dividend declared by the companies.

1.4 FOREIGN CURRENCY TRANSACTIONS

(i) Transactions in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss account.

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

(iii) Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the profit and loss account in the reporting period in which the exchange rates change.

(iv) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.5 FIXED ASSETS

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, including borrowing cost as specified in point (i) till such assets are ready for its intended use, less specific grants received and Cenvat Credit availed if any.

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

1.6 EXPENDITURE ON NEW PROJECTS AND SUBSTANTIAL EXPANSION

Expenditure directly relating to construction activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is neither related to the construction activity nor is incidental thereto is charged to Statement of Profit & Loss. Income earned during construction period deducted from the total of the indirect expenditure.

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

1.7 INTANGIBLE ASSETS

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

1.8 IMPAIRMENT OF ASSETS

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

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

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

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

1.9 DEPRECIATION

Except for freehold land, leasehold land and Capital work-in-progress and other assets as stated below depreciation is charged on Straight Line Method (SLM) as per rate and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated over the remaining useful life of that asset.

- (i) Communication Equipment – 100%

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

- (i) ETP waste Rights - 5 Years
- (ii) Software – 5 Years
- (iii) License – 5 Years

Leasehold land is amortized over the available balance lease period.

Depreciation is not provided on freehold land and capital work-in-progress.

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

1.10 INVESTMENTS

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

1.11 INVENTORIES

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

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

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

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

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

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

1.12 BORROWING COSTS

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

- i) Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii) Borrowing costs are being incurred; and
- iii) Activities that are necessary to prepare the asset for its intended use are in progress

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

1.13 PRIOR YEAR EXPENSES AND INCOME

Transactions pertaining to period prior to Current Accounting Year are adjusted through prior year adjustments, if any.

1.14 EMPLOYEE BENEFITS

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

1.15 EXCISE DUTY

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

1.16 CENVAT

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

1.17 ACCOUNTING FOR TAXES ON INCOME

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

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

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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

1.18 PROVISIONS AND CONTINGENT LIABILITIES

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

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

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

1.19 FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

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

1.20 LEASES

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

There are no finance lease transactions entered in to by the Company.

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

1.21 RESEARCH AND DEVELOPMENT

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

NOTES TO THE FINANCIAL STATEMENTS

2 SHARE CAPITAL

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
AUTHORISED		
370,000,000 Equity Shares (Previous Year 370,000,000)		
Each share of ₹ 1/-	370,000,000	370,000,000
	370,000,000	370,000,000
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES		
254,314,211 Equity Shares (Previous Year 254,314,211)		
Each share of ₹ 1/- Fully Paid up	254,314,211	254,314,211
TOTAL	254,314,211	254,314,211

Reconciliation of Number of Shares

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
As at beginning of the year	254,314,211	254,314,211	254,314,211	254,314,211
Add :				
Issued During the year	-	-	-	-
Less :				
Shares bought back / Redemption etc.	-	-	-	-
As at closing of the year	254,314,211	254,314,211	254,314,211	254,314,211

Details of Shareholding

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Number of Shares held by Shareholders holding more than 5% Shares				
DBS Nominees (P) Ltd.	50,838,150	51,228,150	50,838,150	51,228,150
Mr. Jayanti Patel	18,873,946	18,873,946	18,873,946	18,873,946
Mr. Ashish Soparkar	24,617,948	24,585,410	24,617,948	24,585,410
Mr. Natwarlal Patel	25,910,477	25,910,477	25,910,477	25,910,477
Mr. Ramesh Patel	16,422,392	16,354,120	16,422,392	16,354,120
TOTAL	136,662,913	136,952,103	136,662,913	136,952,103

NOTES TO THE FINANCIAL STATEMENTS

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

The Company has declared dividend of ₹ 0.10 Per Equity share amounting to ₹ 2,54,31,421, On 25,43,14,211 shares of ₹ 1/- each (Previous Year ₹ 0.10/- Per Equity share amounting to ₹ 2,54,31,421 on 25,43,14,211 share of ₹ 1/- each.)

Particulars of NRI Shareholders to whom dividend is remitted.

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Amount of Final Dividend Remitted	5,122,815	5,311,665
No. of Shareholders	1	1
No. of Shares held	51,228,150	53,116,650
Year / Period to which dividend relates	2012-13	2011-12

NOTES TO THE FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
(1) Securities Premium Account		
As per last year accounts	1,565,048,295	1,565,048,295
Add : Addition during the year	-	-
	1,565,048,295	1,565,048,295
(2) Capital Reserve		
As per last year accounts	3,122,017	3,122,017
(3) General Reserve		
As per last year accounts	609,270,348	609,270,348
Add : Transferred from Profit and Loss Account	3,000,000	-
	612,270,348	609,270,348
(4) Capital Redemption Reserve		
As per last year accounts	18,432,980	18,432,980
(5) Debenture Redemption Reserve		
As per last year accounts	138,766,143	82,551,224
Add : Addition during the year	56,214,920	56,214,919
	194,981,063	138,766,143
(6) Hedge Reserve		
As per last year accounts	(153,032,166)	(197,753,281)
Add : (Addition) / Deduction during the year	(34,164,732)	44,721,115
	(187,196,898)	(153,032,166)
(7) Surplus in Profit & Loss Account		
As per last year accounts	2,907,889,637	2,936,033,174
Add : Profit for the year	115,772,153	57,824,873
	3,023,661,790	2,993,858,047
Less : Appropriation		
Transfer to General Reserve	3,000,000	-
Debenture Redemption Reserve	56,214,920	56,214,919
Proposed Dividend	25,431,421	25,431,421
Tax on Dividend	4,322,070	4,322,070
	88,968,411	85,968,410
	2,934,693,379	2,907,889,637
TOTAL	5,141,351,184	5,089,497,254

NOTES TO THE FINANCIAL STATEMENTS**4 LONG TERM BORROWINGS**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
SECURED		
Privately Placed Non - Convertible Debentures :		
10.40% Non - Convertible Debentures redeemable at par In Indian currency	500,000,000	1,000,000,000
Term Loan Facilities from Banks :		
In Indian currency	750,000,000	-
In Foreign currency	-	128,145,171
(Refer Notes - 9 for Current Maturity of Term Loan & Debenture ₹ 64,14,47,152/- (Previous Year ₹ 17,05,41,756/-)		
TOTAL	1,250,000,000	1,128,145,171

Details of Security and Repayment Terms :

- Secured Non-Convertible Debentures of ₹ 100,00,00,000/- are secured by way of pari passu charge on Mortgage of immovable and movable properties situated at GIDC Vatva, GIDC Panoli, GIDC Ankleshwar and Village Chharodi, Taluka Sanand, District - Ahmedabad.
- Redemption Detail of 10.40 % Non Convertible Debentures ₹ 100,00,00,000/-.

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

- External Commercial Borrowing of USD 1,10,00,000 equivalent to ₹ 51,13,90,000 from Standard Chartered Bank, Ahmedabad. The facility is secured by First charge on all the present and future movable fixed assets financed under term loan including moveable fixed assets held at CH-1-2/A. GIDC Dahej, Taluka Vagra, Bharuch and repayable in 13 Quarterly Installment amount of USD 7,85,400 of each & last Instalment of USD 7,89 800 and interest @3 Month LIBOR + 2.5%.
- Rupee Term Loan facility of ₹ 300,000,000 from HDFC Bank, Nr. Mithakhali Cross Road, Ahmedabad. The facility is Secured by First Pari Passu charge with ICICI Bank Limited on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 20 Quarterly installments of INR 15,000,000 each commencing from 30th April, 2016 and interest @ base rate plus 1.75% per annum with monthly rests. At present interest rate is 11.75% with moratorium of 2 years.
- Rupee Term loan facility of ₹ 450,000,000 from ICICI Bank Limited, JMC House, Ambawadi, Ahmedabad. The facility is Secured by First Pari Passu charge with HDFC Bank on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 24 Quarterly installments of INR 18,750,000 each commencing from 30th June, 2016 and interest @ base rate plus 2.10% per annum with monthly rests. At present interest rate is 12.10% with moratorium of 2 years.

NOTES TO THE FINANCIAL STATEMENTS

5 DEFERRED TAX LIABILITIES (NET)

Major Components of Deferred Tax:

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Deferred Tax Liability:		
Difference in value of Fixed Asset due to depreciation and other allowances	260,526,926	240,981,271
Deferred Tax Assets:		
Disallowance u/s 43B of Income Tax Act, 1961	8,326,232	7,158,214
TOTAL	252,200,694	233,823,057
Previous Year	233,823,057	210,309,277
Deferred Tax Expense / (Saving) charge to Profit & Loss	18,377,637	23,513,780

6 LONG TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Provision for Employee benefits (Refer Note No - 10)	11,456,044	1,595,593
Fair value of Financial derivatives (Refer Note below)	394,965,847	263,437,959
TOTAL	406,421,891	265,033,552

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Opening Balance	263,437,959	333,024,043
Addition during the year	131,527,888	92,567,372
Used during the year	-	162,153,456
Closing Balance	394,965,847	263,437,959

7 SHORT TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Secured Loans		
Working Capital Facilities from Banks :		
In Indian currency	2,039,837,178	2,010,134,235
Unsecured Loans		
From Banks - In Indian currency	420,000,000	149,000,000
From Subsidiary companies	-	305,191,165
TOTAL	2,459,837,178	2,464,325,400

NOTES TO THE FINANCIAL STATEMENTS

- i The interest rate on working capital facilities from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers) varies within the range of 10.90% to 14.00% (both inclusive) and are secured by :-
- First Pari Passu charge created on 9th October, 2003 for ₹ 79.45 Crore was further extended on 28th May 2005 for ₹ 155.35 Crore, on 23rd January, 2007 for ₹ 218.65 Crore and on 28th August, 2009 for ₹ 343.08 Crore in favour of State Bank of India and its Consortium Bank by way of hypothecation of the entire stock of raw materials, work in process, finished goods, stores and spares and receivables. The present consortium is lead by State Bank of India.
 - First Pari Passu charge on immovable fixed assets to State Bank of India and its consortium bank as collateral security for the working capital facilities of ₹ 343.08 Crore. The present consortium is lead by State Bank of India.
 - The indenture of the mortgage created on immovable properties are located at :
 - Plot No. 168,180,183 and 184 of GIDC Industrial Estate Vatva, Ahmedabad.
 - Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad.
 - Plot No. 21 & 21/1 of GIDC Industrial Estate Panoli, Taluka Ankleshwar.
 - Plot No.5001/B of GIDC Industrial Estate, Ankleshwar.
- ii Unsecured Short Term loan of ₹ 60,00,00,000 has been sanctioned by HDFC Bank Limited. The outstanding Short Term Loan as on 31st March, 2014 is ₹ 42,00,00,000 comprising of three short term loans of ₹ 15,00,00,000 ₹ 17,00,00,000 and ₹ 10,00,00,000 for 90 days availed on 13th January, 2014, 24th January, 2014 and 14th February, 2014 respectively, with interest rate ranging from 10.50% per annum to 10.70% per annum.

8 TRADE PAYABLE

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Micro, Small and Medium Enterprises	85,084,747	52,578,932
Others	1,546,502,247	1,289,260,940
(Refer Notes below)		
TOTAL	1,631,586,994	1,341,839,872

Notes :-

- The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Creditors are subject to confirmation.
- The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and accordingly the Company has provided for interest of ₹ 61,30,676 (Previous Year ₹ 19,61,002) being payable as required under the said act.

NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year :		
Principal amount	85,084,747	52,578,932
Interest amount	6,130,676	1,961,002
the amount of interest paid by the buyer in terms of Section 18 of MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,	3,672,317	520,930
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4,480,948	568,480
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	6,130,676	1,961,002

NOTES TO THE FINANCIAL STATEMENTS**9 OTHER CURRENT LIABILITIES**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Current maturities of long-term debt (Refer Note No - 4)	641,447,152	170,541,756
Interest accrued but not due on borrowings	8,376,711	5,992,119
Deferred Payment to GIDC	-	9,996,881
Employee Benefit Payable	41,128,570	32,137,458
Advance Received from Customer	10,840,109	6,151,044
Statutory Payments	94,135,164	65,210,976
IPO Refund Payable (Refer Note i & ii below)	106,400	106,400
Unpaid Dividend (Refer Note ii below)	1,948,791	1,770,951
Proposed Dividend & provision of tax on dividend	29,753,491	29,753,491
Payable for retention money	5,641,112	4,240,454
Payable - Capital Goods	118,039,910	135,065,376
Interest as per MSMEDA, 2006 (Refer Note No - 8(ii))	6,130,676	1,961,002
TOTAL	957,548,086	462,927,908

Notes :-

- (i) IPO Refund Payable represents share application money received at the time of IPO and pending for refund due to non-traceability of investors. The Company has kept the balance of such money in a separate account with Bank and as informed to statutory authorities no interest thereon is provided.
- (ii) The amount outstanding in respect of IPO Refund and Unpaid Dividend will be transferred to Investor Education and Protection Fund under Section 205 of the Companies Act, 1956.

10 SHORT TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Wealth Tax payable	478,430	465,711
Current Tax payable	35,966,450	40,836,510
Provisions for Employee Benefits (Refer Notes - 29)	11,580,022	18,282,444
TOTAL	48,024,902	59,584,665

NOTES TO THE FINANCIAL STATEMENTS

11. Fixed Assets As on 31st March 2014

(Figures in ₹)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Opening	Addition	Deduction/ Adjustment	Closing	Opening	Provision For the Year	Deduction/ Adjustment	Closing	Closing Balance 31.03.2014	Closing Balance 31.03.2013
	Tangible Assets										
1	Freehold Land	14,903,516	-	-	14,903,516	-	-	-	-	14,903,516	14,903,516
2	Leasehold Land	303,047,202	1,137,798	-	304,185,000	11,922,245	3,219,826	-	15,142,071	289,042,929	291,124,957
3	Building	888,635,636	506,490,720	-	1,395,126,356	154,633,744	31,945,619	-	186,579,363	1,208,546,993	734,001,892
4	Plant & Machinery	3,020,250,203	920,816,737	22,004,326	3,919,062,614	1,640,120,510	241,310,463	19,762,872	1,861,668,101	2,057,394,513	1,380,129,693
5	Furniture & Fixtures	43,663,628	4,824,347	-	48,487,975	24,273,190	2,325,361	-	26,598,551	19,390,438	19,390,438
6	Vehicles	84,091,919	11,493,521	5,494,828	90,090,612	28,439,429	7,314,407	3,272,000	32,481,836	57,608,776	55,652,490
7	Computers	30,148,115	1,590,647	-	31,738,762	24,240,469	1,559,419	-	25,799,888	5,938,874	5,907,646
8	Other Equipments	21,045,518	2,426,055	28,500	23,443,073	9,440,884	1,528,687	7,482	10,962,089	12,480,984	11,604,634
	Total	4,405,785,737	1,448,779,825	27,527,654	5,827,037,908	1,893,070,471	289,203,782	23,042,354	2,159,231,899	3,667,806,009	2,512,715,266
	Intangible Assets										
1	Software Licences	36,690,856	-	-	36,690,856	20,485,154	7,003,419	-	27,488,573	9,202,283	16,205,702
2	Product Licences	107,291,177	2,179,250	-	109,470,427	69,744,283	16,519,051	-	86,263,334	23,207,093	37,546,894
3	Usage Rights	4,093,800	8,666,612	-	12,760,412	4,093,800	715,135	-	4,808,935	7,951,477	-
	Total	148,075,833	10,845,862	-	158,921,695	94,323,237	24,237,605	-	118,560,842	40,360,853	53,752,596
	Capital WIP										
1	Tangible Assets	849,457,126	109,312,068	835,965,777	122,803,417	-	-	-	-	122,803,417	849,457,126
2	Intangible Assets	38,942,436	51,638,330	-	90,580,766	-	-	-	-	90,580,766	38,942,436
	Total	888,399,562	160,950,398	835,965,777	213,384,183	1,987,393,708	313,441,387	23,042,354	2,277,792,741	3,921,551,045	888,399,562
	Grand Total	5,442,261,132	1,620,576,085	863,493,431	6,199,343,786	1,987,393,708	263,607,237	7,066,192	1,987,393,708	3,454,867,424	3,009,146,572
	Previous Year	4,739,999,235	854,409,683	152,147,786	5,442,261,132	1,730,852,663	263,607,237	7,066,192	1,987,393,708	3,454,867,424	3,009,146,572

i Capital WIP- Tangible Assets includes Expenses during Construction Period ₹ 1,46,35,411/- (Previous Year ₹ 9,14,79,053/-)

ii Borrowing cost Capitalised during the year ₹ 12,51,41,267/- (Previous Year ₹ 4,51,19,084/-)

iii Deduction in Depreciation includes ₹ 6,16,87,17/- being depreciation transfer to Capital WIP

The block of Research & Development assets included in Fixed assets in above Fixed Assets Schedule.

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

(Figures in ₹)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Opening	Addition	Deduction	Closing	Opening	Provision For the Year	Deduction	Closing	Closing Balance 31.03.2014	Closing Balance 31.03.2013
	Tangible Assets										
1	Building	1,144,279	-	-	1,144,279	142,076	36,308	-	178,384	965,895	1,002,203
2	Plant & Machinery	22,036,966	1,604,351	-	23,641,317	12,216,948	1,505,995	-	13,722,943	9,918,374	9,820,018
3	Furniture & Fixtures	2,644,103	-	-	2,644,103	581,850	159,003	-	740,853	1,903,250	2,062,253
4	Vehicles	955,980	-	-	955,980	365,375	86,278	-	451,653	504,327	590,605
5	Computers	241,400	16,850	-	258,250	98,943	39,747	-	138,690	119,560	142,457
6	Other Equipments	236,881	58,300	-	295,181	47,730	43,923	-	91,653	203,528	189,151
	Sub Total	27,259,609	1,679,501	-	28,939,110	13,452,922	1,871,254	-	15,324,176	13,614,934	13,806,687
	Intangible Assets										
1	Product Licences	36,939,881	-	-	36,939,881	18,061,795	7,387,977	-	25,449,772	11,490,109	18,878,086
	Sub Total	36,939,881	-	-	36,939,881	18,061,795	7,387,977	-	25,449,772	11,490,109	18,878,086
	Total	64,199,490	1,679,501	-	65,878,991	31,514,717	9,259,231	-	40,773,948	25,105,043	32,684,773

NOTES TO THE FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
(I) Trade Investments - Unquoted :		
(a) Investments in Equity Instruments - Unquoted		
(1) In Subsidiaries (Unquoted and fully paid)		
(i) 61,299 Equity shares of Meghmani Europe BVBA, Belgium of Euro 18.55 each	81,143,713	81,143,713
(ii) 39,99,400 Equity shares of Meghmani Energy Ltd. of ₹ 10 each fully paid	43,723,099	43,723,099
(iii) 2,92,500 Equity shares of Meghmani Organics Inc., USA of USD 1 each	13,970,150	13,970,150
(iv) 4,04,46,820 Equity shares of Meghmani Finechem Ltd. of ₹ 10 each	1,212,424,600	1,212,424,600
(v) 7,30,000 Equity shares of Meghmani Chemtech Ltd. of ₹ 10 each	7,300,000	7,300,000
(vi) 2,50,000 Equity shares of PT Meghmani Organics Indonesia of USD 1 each	12,330,000	12,330,000
(vii) 1 Equity shares of Meghmani Overseas FZE of AED 35,000 each	456,138	456,138
(viii) 39,000 Equity shares of Triance Speciality Private Limited of ₹ 100 each (Refer Note i Below)	3,900,000	3,900,000
(2) In Others		
(i) 4 Equity Shares of Alaukik Owners Association of ₹ 100 each - unquoted	400	400
(ii) 4,91,585 Equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of ₹ 10 each	4,915,850	4,915,850
(iii) 14,000 Equity share of Bharuch Eco Enviro Infrastructure Ltd. of ₹ 10 each	140,000	140,000
(iv) 500 Equity shares of Green Environment Services Co. Op. Soc. Ltd of ₹ 10 each	5,000	5,000
(v) 30,000 Equity shares of Panoli Enviro Technology of ₹ 10 each	300,000	300,000
(vi) 100 Equity shares of Sanand Eco Project Limited of ₹ 10 each	1,000	1,000
(vii) 2,000 Equity shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50 each	100,000	100,000
(viii) 10 Equity shares of Vellard View Premises Co. Op. Soc Ltd. of ₹ 50 each	500	500
(b) Investments in Government or Trust Securities - National Savings Certificate - Unquoted and fully paid	28,000	28,000
Total (I)	1,380,738,450	1,380,738,450
(II) Other Investments		
(a) Other Non-Current Investments - Fully Paid		
(i) 2000 Equity shares of Saket Project Ltd. of ₹ 100 each - Quoted	20,000	20,000
(ii) 8200 Equity shares of Lanzorate Finance Limited of ₹ 10 each - Unquoted	82,000	82,000
Total (II)	102,000	102,000
TOTAL (I+II)	1,380,840,450	1,380,840,450

NOTES TO THE FINANCIAL STATEMENTS

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Non-Current: Equity Shares of Saket Project Ltd.		
Carrying Amount	20,000	20,000
Market Value	Not Available	Not Available

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Non-Current	1,380,820,450	1,380,820,450
Aggregate Value Of Provision For Diminution In Value	Nil	Nil

Note :- Given below are the financials of Jointly controlled entity, Trience Speciality Chemicals Pvt. Ltd. related to the company's interests of 39% (Previous Year 39%)

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Assets	619,519	1,133,838
Liabilities	241,012	943
Incomes	-	-
Expenses	754,388	2,119,197

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

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

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

NOTES TO THE FINANCIAL STATEMENTS**13 LONG TERM LOANS AND ADVANCES**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Capital Advances	38,171,969	185,062,792
Security Deposits	75,245,121	71,886,991
Balance with Government Authorities	4,090,116	4,090,116
TOTAL	117,507,206	261,039,899

14 OTHER NON CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Derivative Assets	30,410,898	36,880,578
Deposits for Margin Money with Banks exceeding one year	564,833	546,281
TOTAL	30,975,731	37,426,859

15 INVENTORIES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Raw Materials	513,552,289	486,237,323
Work In Process	146,973,331	65,567,815
Finished Goods	1,207,527,168	678,420,399
Finished Goods in Transit	108,292,008	170,398,865
Trading Goods	19,004,913	19,189,505
Stores & Spares	40,115,803	19,670,838
Others (Packing Material & Fuel)	50,581,307	42,826,092
(Refer Notes Below)		
TOTAL	2,086,046,819	1,482,310,837

Notes :-

- For Method of Valuation of Inventories refer Note No - 1.11
- Stock of Finished Goods Includes Excise Duty of ₹ 9,83,74,176/- (Previous Year ₹ 6,72,74,109/-)
- The Company has written down the value of inventory and had charged the same to Raw Material Consumption (Refer Note No - 22), Packing Material Consumption (Refer Note No - 26) & Increase / Decrease in Stock (Refer Note No - 23) as under :-

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Raw Materials	3,792,394	2,296,773
Finished Goods	3,099,652	3,241,656
Trading Goods	61,694	5,803,134
Others (Packing Material & Fuel)	1,964,538	2,945,992
TOTAL	8,918,278	14,287,555

NOTES TO THE FINANCIAL STATEMENTS

16 TRADE RECEIVABLES (Unsecured and considered good)

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Exceeding Six Months	287,763,655	333,300,848
Others	3,023,939,699	2,948,964,443
TOTAL	3,311,703,354	3,282,265,291

- i Includes ₹ 45,04,39,444/- (Previous Year: ₹ 46,82,32,027/-) due from Subsidiary Company and ₹ 2,15,00,070/- (Previous Year: ₹ 3,35,14,284/-) due from firm or a Company in which some of the Directors are interested.
- ii The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Trade Receivables are subject to confirmation.

17 CASH AND CASH EQUIVALENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Balance with Banks (Refer note i below)	22,190,383	12,583,076
Cash on hand	1,425,311	2,186,227
Fixed Deposit with Banks (Refer note ii below)	52,898,676	2,694,142
TOTAL	76,514,370	17,463,445

Notes :-

- i The Current Account balance includes unpaid dividend of ₹ 19,48,791/- (Previous Year ₹ 17,70,951/-) and ₹ 1,06,400/- (Previous Year ₹ 1,06,400/-) towards IPO Refund Payable which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such accounts.
- ii Fixed Deposit with banks is due within one year and held as margin money.

NOTES TO THE FINANCIAL STATEMENTS**18 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Unsecured Loan to Subsidiary Companies	104,755,650	90,556,976
Balance with Government Department	696,312,281	755,219,926
Advance Income Tax & Tax Deducted at Source (net of Provision for Tax)	161,312,845	106,090,453
MAT Credit Entitlement	19,500,000	-
Prepaid Expenses	10,530,400	8,906,953
Advance Payment to Vendors (Refer Note i below)	267,812,176	241,485,175
Staff Advances	5,000,747	3,677,566
TOTAL	1,265,224,099	1,205,937,049

Notes :-

- i Advance Payment to Vendors includes ₹ 9,28,00,313/- (Previous Year ₹ 3,69,46,128) due from a subsidiary company - Meghmani Energy Limited.
- ii Loans and Advances, in the nature of loans to Subsidiary as per clause 32 of Listing Agreement are as under

PARTICULARS	(Figures in ₹)		Maximum Balance Outstanding 31 st March 2014	Maximum Balance Outstanding 31 st March 2013
	31 st March 2014	31 st March 2013		
Meghmani Europe BVBA	67,666,248	56,868,616	71,168,624	160,731,438
PT Meghmani Organics Indonesia	37,089,402	33,601,438	40,670,212	34,176,335
Meghmani Overseas FZE	-	86,922	105,211	88,871
TOTAL	104,755,650	90,556,976	111,944,047	194,996,644

19 OTHER CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Export Benefit Receivable	157,397,423	131,584,882
Insurance Claim Receivable	42,406,918	42,059,872
Interest Accrued	1,790,509	1,617,029
Derivative Assets	-	2,078,053
TOTAL	210,922,066	177,339,836

NOTES TO THE FINANCIAL STATEMENTS

20 REVENUE FROM OPERATIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Sale of Products	8,720,160,033	7,316,666,751
Other Operating Revenue	212,679,781	180,755,392
TOTAL	8,932,839,814	7,497,422,143

Break up of Sale of Products

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Pigments	3,948,594,195	3,368,583,006
Agro Chemicals	3,974,265,589	3,427,315,098
Others	797,300,249	520,768,647
TOTAL	8,720,160,033	7,316,666,751

Earnings in Foreign Currencies

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Export of Goods (FOB)	6,783,111,533	5,819,140,156

21 OTHER INCOME

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Interest Income	36,185,980	14,517,769
Dividend Income From Others	30,001	30,001
Mark to Market Gain on Derivatives	-	85,699,941
Commission - Export	453,079	-
Miscellaneous Income	1,937,040	2,161,875
Rent Received	3,242,179	949,650
TOTAL	41,848,279	103,359,236

22 COST OF MATERIALS CONSUMED

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Pigments	2,877,823,823	2,254,660,750
Agro Chemicals	2,575,179,684	2,361,077,971
TOTAL	5,453,003,507	4,615,738,721

Includes Written down value of Raw Material of ₹ 37,92,394/- (Previous Year ₹ 22,96,773/-) (Refer Note No - 15(iii))

NOTES TO THE FINANCIAL STATEMENTS

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Agro Chemicals	261,343	24,506
TOTAL	261,343	24,506

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
(A) Opening Stock		
(i) Finished Goods	611,146,290	526,506,447
(ii) Trading Goods	19,189,505	52,380,766
(iii) Excise duty on Finished Goods	67,274,109	60,551,756
(iv) Goods in Transit	170,398,865	67,976,323
(v) Work-in-Process	65,567,815	64,788,345
TOTAL (A)	933,576,584	772,203,637
(B) Closing Stock		
(i) Finished Goods (Refer Note below)	1,109,152,992	611,146,290
(ii) Trading Goods (Refer Note below)	19,004,913	19,189,505
(iii) Excise duty on Finished Goods	98,374,176	67,274,109
(iv) Goods in Transit	108,292,008	170,398,865
(v) Work-in-Process	146,973,331	65,567,815
TOTAL (B)	1,481,797,420	933,576,584
TOTAL (A - B)	(548,220,836)	(161,372,947)

Note :- Includes Written down value of Finished Goods of ₹ 30,99,652/- (Previous Year ₹ 32,41,656/-) (Refer Note No - 15(iii) & Trading Goods of ₹ 61,694/- (Previous Year ₹ 58,03,134/-) (Refer Note No - 15(iii)).

Value of Import on CIF basis

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Raw Material	379,332,875	184,130,697
Trading Purchase	462,743,739	199,624,774
TOTAL	842,076,614	383,755,471

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

PARTICULARS	(Figures in ₹)			
	31 st March 2014	31 st March 2014	31 st March 2013	31 st March 2013
	Imported	Indigenous	Imported	Indigenous
Stores and Spares	-	114,560,135	-	85,663,738
	-	100%	-	100%
Raw Materials	193,572,520	5,259,430,987	106,298,705	4,509,440,016
	3.55%	96.45%	2.30%	97.70%

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEES EMOLUMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Salary & Wages	256,475,829	214,027,239
Directors Remuneration	26,978,298	26,899,628
Statutory Contribution	10,500,990	9,018,018
Staff Welfare Expenses	23,912,966	19,019,539
Labour Contract Charges	110,051,198	74,786,316
TOTAL	427,919,281	343,750,740

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Salary & Wages	5,691,029	5,122,583
Statutory Contribution	116,167	109,701
Staff Welfare Expenses	1,161,909	321,194
TOTAL	6,969,105	5,553,478

25 FINANCIAL EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Interest	332,898,762	254,857,017
Other Financial Charges	17,251,128	17,507,482
TOTAL	350,149,890	272,364,499

NOTES TO THE FINANCIAL STATEMENTS

26 OTHERS EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Consumption of Stores and Spare Parts	114,560,135	85,663,738
Power and Fuel	902,551,120	731,609,258
Repairs to Buildings	13,110,000	8,319,904
Repairs to Machinery	76,686,162	55,305,316
Pollution Control Expenses	117,512,904	98,143,550
Excise Duty Expenses (Refer Note - 34)	208,143,514	32,476,328
Rent (Refer Note -iii)	4,860,708	4,006,528
Rates and Taxes	5,420,526	5,512,106
Insurance	23,892,202	26,543,754
Packing Material Consumption (Refer Note - ii)	204,578,620	167,592,682
(Profit) / Loss on Sale of Fixed Asset	(2,413,394)	86,355
(Gain)/Loss on Foreign Currency transactions and translations	(299,389,443)	36,949,248
Loss on Derivatives	105,910,889	-
Shipping / Air Lines Freight	179,850,701	169,232,080
Miscellaneous Expenses (See Note -i)	416,900,704	337,564,972
Payments to the Auditors :		
(a) as Auditors	1,850,001	1,700,000
(b) for taxation matters	300,000	200,000
(c) for company law matters	-	300,000
(d) for other services	250,000	200,000
(e) for reimbursement of expenses	-	10,000
TOTAL	2,074,575,349	1,761,415,819

Notes :-

- i Miscellaneous expenses includes excise duty expenses of ₹ 3,05,82,026/- (Previous Year ₹ 67,22,353/-) pertains to Variation in Stock of Finished Goods.
- ii Packing Material Consumption includes written down value of Packing Material of ₹ 19,64,538/- (Previous Year ₹ 29,45,992/-) (Refer Note No - 15(iii)).
- iii The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases charged to Statement of Profit and Loss for the year ₹ 48,60,707/- (Previous Year: ₹ 40,06,528/-). Not later than 1 year ₹ 48,60,707/- (Previous Year: ₹ 40,06,528/-).

iv Expenditure in Foreign Currency are as under

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Foreign Travel Expenses	13,891,491	6,973,238
Sales Commission	50,735,819	37,188,062
Other Expenses	73,102,140	88,740,607
TOTAL	137,729,450	132,901,907

NOTES TO THE FINANCIAL STATEMENTS

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

PARTICULARS	(Figures in ₹)	
	31st March 2014	31st March 2013
Consumption of Stores and Spare Parts	891,863	77,730
Power and Fuel	1,769,236	2,054,566
Repairs to Machinery	342,268	232,165
Miscellaneous Expenses	3,556,823	2,689,145
TOTAL	6,560,190	5,053,606

27 EXTRAORDINARY ITEMS

PARTICULARS	(Figures in ₹)	
	31st March 2014	31st March 2013
Shortfall of Insurance Claim	4,954,417	8,728,177
TOTAL	4,954,417	8,728,177

Extra ordinary Item consists of short claim received from Insurance Company for loss due to fire during the Financial Year 2013-2014.

28 EARNING PER SHARE

PARTICULARS	(Figures in ₹)	
	31st March 2014	31st March 2013
Net Profit after tax attributable to shareholders before Extra Ordinary Item	120,726,570	66,553,050
Less - Extra Ordinary Item	4,954,417	8,728,177
Net Profit after tax attributable to shareholders after Extra Ordinary Item	115,772,153	57,824,873
Weighted average number of equity shares at the end of year	254,314,211	254,314,211
Nominal value of share	1	1
Basic / Diluted Earning Per Share before Extra ordinary items	0.47	0.26
Basic / Diluted Earning Per Share after Extra ordinary items	0.46	0.23

NOTES TO THE FINANCIAL STATEMENTS**29 EMPLOYEE BENEFITS - AS 15**

As per revised Accounting Standard 15 (AS-15) "Employees Benefits", the Company has recognized in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2014

(A) Defined Benefit Plans**I. Components of Employer Expenses**

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Current Service Cost	3,080,624	2,791,939	435,667	559,077
Interest Cost	3,315,052	3,058,598	153,420	178,701
Expected Return on Plan Assets	(1,928,272)	(1,358,022)	-	-
Actuarial (Gain)/Loss	(1,651,320)	233,369	60,446	(814,841)
Total Expenses/(Gain) recognized in the Profit & Loss Account	2,816,084	4,725,884	649,533	(77,063)

II Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Present value of Funded Obligation	43,516,153	40,182,454	2,203,139	1,859,631
Fair Value of Plan Assets	(22,683,226)	(22,164,048)	-	-
(Assets)/Liability recognized in the Balance Sheet	20,832,927	18,018,406	2,203,139	1,859,631

III Change in Defined Benefit Obligations (DBO)

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Opening balance of Present Value of Obligation	40,182,454	35,983,505	1,859,631	2,102,364
Current Service Cost	3,080,624	2,791,939	435,667	559,077
Interest Cost	3,315,052	3,058,598	153,420	178,701
Actuarial (Gain)/Loss	(1,695,660)	521,175	60,446	(814,841)
Benefit Paid	(1,366,317)	(2,172,763)	(306,025)	(165,670)
Closing Balance of Present Value of Obligation	43,516,153	40,182,454	2,203,139	1,859,631

IV Changes in the Fair value of Plan Assets

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Opening Balance of Present Value of Plan Assets	22,164,048	15,976,730	-	-
Expected Return on Plan Assets	1,928,272	1,358,022	-	-
Actuarial Gain/(Loss)	(44,340)	287,806	-	-
Contribution by Employer	1,563	6,714,253	-	-
Benefit Paid	(1,366,317)	(2,172,763)	-	-
Fair Value of Plan Assets as at 31 st March	22,683,226	22,164,048	-	-

NOTES TO THE FINANCIAL STATEMENTS

V Actuarial Assumptions

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Discount Rate (per annum)	8.25%	8.25%	8.25%	8.25%
Expected Rate of Return on Assets (per annum)	8.70%	8.70%	-	-
Annual Increase in Salary Costs (per annum)	6.00%	6.00%	6.00%	6.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%

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

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

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	0.00%	0.00%

VII Movement in net liability recognized in balance Sheet

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Net opening liability	18,018,406	20,006,775	1,859,631	2,102,364
P & L Charges	2,816,084	4,725,884	649,533	(77,063)
Contribution paid	(1,563)	(6,714,253)	(306,025)	(165,670)
Closing net liability	20,832,927	18,018,406	2,203,139	1,859,631

(A) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - ₹ 85,32,807/- (Previous year ₹ 73,45,584/-)

30. SEGMENT REPORTING

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

Principal activities are as follows:

Pigment division

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

Agrochemicals division

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

NOTES TO THE FINANCIAL STATEMENTS**(a) Analysis By Business Segment****Segment revenue and expense:**

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

Segment assets and liabilities:

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

Inter-segment transfers:

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

Financial year ended on 31st March, 2014:**(Figures in ₹)**

	Pigments	Agro Chemicals	Others*	Elimination	Total
Revenue					
External Sales	3,948,594,195	3,974,265,589	797,300,249	-	8,720,160,033
Other Operating Revenue	66,866,564	133,189,576	12,623,641	-	212,679,781
Total Revenue	4,015,460,759	4,107,455,165	809,923,890	-	8,932,839,814
Results					
Segment Results	204,556,104	283,705,269	(23,723,257)	-	464,538,116
Un-allocable (Expenses)/Income					36,185,980
Profit from Operation					500,724,096
Finance Cost					(350,149,890)
Investments Income					30,001
Profit before exceptional items					150,604,207
Extraordinary Items					(4,954,417)
Profit Before Tax					145,649,790
Income Tax Expenses					(11,500,000)
Deferred Tax					(18,377,637)
Profit After Tax					115,772,153
Other information	Pigments	Agro Chemicals	Others*	Unallocable	Total
Capital Addition	608,248,854	167,585,736	606,040	8,169,678	784,610,308
Depreciation	(119,836,952)	(187,887,500)	(5,716,935)	-	(313,441,387)
Non-Cash Items	63,688,481	38,864,108	13,870,265	-	116,422,854
Balance sheet	Pigments	Agro Chemicals	Others*	Elimination	Total
Assets					
Segment Assets	5,568,360,128	6,172,713,283	479,398,884	-	12,220,472,295
Un-allocable Corporate Assets					180,812,845
Total assets					12,401,285,140
Liabilities					
Segment Liabilities	3,220,001,923	3,136,971,360	330,247,396	-	6,687,220,680
Unallocable Liabilities					66,198,371
Deferred Tax Liabilities					252,200,694
Total Liabilities					7,005,619,745

*Others include Trading Activity and Power Generation.

NOTES TO THE FINANCIAL STATEMENTS

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

	Pigments	Agro Chemicals	Others*	Elimination	Total
Revenue					
External Sales	3,368,583,006	3,427,315,098	520,768,647	-	7,316,666,751
Other Operating Revenue	67,284,595	105,206,765	8,264,032	-	180,755,392
Total Revenue	3,435,867,601	3,532,521,863	529,032,679	-	7,497,422,143
Results					
Segment Results	227,288,566	137,677,698	(10,424,559)	-	354,541,705
Interest Income					14,517,769
Un-allocable (Expenses)/Income					369,059,474
Profit from Operation					(272,364,499)
Finance Cost					30,001
Investments Income					96,724,976
Profit before exceptional items					(8,728,177)
Extraordinary Items					87,996,799
Profit Before Tax					(6,658,146)
Income Tax Expenses					(23,513,780)
Deferred Tax					57,824,873
Profit After Tax					
Other information	Pigments	Agro Chemicals	Others*	Unallocable	Total
Capital Addition	156,327,327	185,929,394	2,480,697	13,675,415	358,412,833
Depreciation	(94,370,728)	(163,398,090)	(5,838,419)	-	(263,607,237)
Non-Cash Items	29,550,916	(67,173,983)	8,942,270	-	(28,680,797)
Balance sheet	Pigments	Agro Chemicals	Others*	Elimination	Total
Assets					
Segment Assets	4,651,240,048	6,007,955,772	534,204,817	-	11,193,400,637
Un-allocable Corporate Assets					106,090,453
Total assets					11,299,491,090
Liabilities					
Segment Liabilities	2,182,876,600	3,137,278,996	330,645,260	-	5,650,800,856
Unallocable Liabilities					71,055,712
Deferred Tax Liabilities					233,823,057
Total Liabilities					5,955,679,625

*Others includes Trading Activity and Power Generation.

(b) Analysis By Geographical Segment

Segment Revenue:

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Export Sales	6,894,613,327	5,938,792,246
Domestic Sales	1,825,546,706	1,377,874,505
Total	8,720,160,033	7,316,666,751

NOTES TO THE FINANCIAL STATEMENTS**(c) Segment assets and capital expenditure :**

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

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

31 RELATED PARTIES DISCLOSURES :-

- Holding Company : Nil
- Subsidiaries of the company : Meghmani Organics USA, Inc.(MOL-USA)
Meghmani Europe BVBA(MOL-EUROPE)
PT Meghmani Organics Indonesia(MOL-INDONESIA)
Meghmani Overseas FZE-Dubai
Meghmani Energy Limited (MEL)
Meghmani Finechem Limited (MFL)
Meghmani Chemtech Limited (MCTL)
- Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence : Meghmani Pigments
Ashish Chemicals
Tapsheel Enterprise
Meghmani Infrastructures
Meghmani Dyes & Intermediates Limited
Meghmani Industries Limited
Meghmani Chemicals Limited
Fidelity Exports Private Limited
Vidhi Global Chemicals Limited
Vanguard Overseas Limited
Panchratna Corporation
Meghmani Unichem LLP
Alpanil Industries
Matangi Industries
Meghmani Industries Limited - SEZ Unit
- Key Managerial Personnel : Mr. Jayanti M Patel
Mr. Ashish N Soparkar
Mr. Natwarlal M Patel
Mr. Ramesh M Patel
Mr. Anand I Patel
- Relatives of Key Managerial Personnel (Employee) : Ms. Deval Soparkar
Mr. Maulik J Patel
Mr. Kaushal Soparkar
Mr. Karana R Patel
Mr. Ankit N Patel
Mr. Darshan Patel
- Relatives of Key Managerial Personnel (Consultant) : Mr. K M Patel
Mr. Saurabh Soparkar
- Joint Venture : Trience Speciality Chemicals Private Limited

NOTE - 31 RELATED PARTIES DISCLOSURES

Related Parties Material Transactions

(Figures in ₹)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Purchase of Goods	256,027,102	238,929,208	144,695,352	88,439,207	-	-	-	-	400,722,454	327,368,415
Sale of Goods	618,643,692	802,160,435	84,081,691	39,383,306	-	-	-	-	702,725,383	841,543,741
Sale of Fixed assets	-	-	66,504	766,857	-	-	-	-	66,504	766,857
Sale of Services - Joint Venture	1,200,000	-	-	-	-	-	-	-	1,200,000	-
Purchase of Assets	663,106	-	-	6,824,244	-	-	-	-	663,106	6,824,244
Remuneration	-	-	-	-	26,978,298	26,899,631	2,819,320	2,633,301	29,797,618	29,532,932
Loans Taken (MFL)	70,000,000	461,300,000	-	-	-	-	-	-	70,000,000	461,300,000
Loans Repaid (MFL)	375,000,000	156,300,000	-	-	-	-	-	-	375,000,000	156,300,000
Loans Repaid	76,751	109,123,400	-	-	-	-	-	-	76,751	109,123,400
Investment	-	241,534,890	-	-	-	-	-	-	-	241,534,890
Interest Paid	13,421,129	13,643,985	-	-	-	-	-	-	13,421,129	13,643,985
Interest Income	-	352,276	-	-	-	-	-	-	-	352,276
Rent Income (MEL)	600,000	750,000	-	-	-	-	-	-	600,000	750,000
Total	1,335,631,779	2,024,094,194	228,843,547	135,413,614	26,978,298	26,899,631	2,819,320	2,633,301	1,594,272,944	2,189,040,740

Outstanding Balances with Related Parties

(Figures in ₹)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Debtors	450,439,444	468,232,027	21,500,070	33,514,284	-	-	-	-	471,939,514	501,746,311
Creditors	38,701,532	13,811,752	57,290,390	(135,997,258)	-	-	-	-	95,991,922	(122,185,506)
Unsecured Loans	-	305,191,165	-	-	-	-	-	-	-	305,191,165
Salary, PF & Gratuity Payable	-	-	-	-	952,700	1,253,200	147,606	125,586	1,100,306	1,378,786
Loans and Advances	104,755,650	90,556,976	-	150,000,000	-	-	-	-	104,755,650	240,556,976
Total	593,896,626	877,791,920	78,790,460	47,517,026	952,700	1,253,200	147,606	125,586	673,787,392	926,687,732

MATERIAL TRANSACTIONS WITH RELATED PARTIES

(Figures in ₹)

Name of Related Parties	Sale of Goods / Services 1		Sale of Assets 2		Purchase of Goods / Services 3		Purchase of Assets 4	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Subsidiary / Joint Venture								
Meghmani Organics USA Inc.	416,294,814	438,035,453	-	-	-	-	-	-
Meghmani Europe BVBA	203,547,874	334,591,097	-	-	-	5,190,502	-	-
Meghmani Energy Limited	-	-	-	-	-	-	663,106	-
Meghmani Finechem Limited	24,703	-	-	-	256,027,102	233,738,706	-	-
PT Meghmani Organics Indonesia	(1,223,699)	1,474,000	-	-	-	-	-	-
Meghmani Overseas FZE	-	28,059,885	-	-	-	-	-	-
Meghmani Chemtech Limited	-	-	-	-	-	-	-	-
Triance Speciality Private Limited	-	-	-	-	-	-	-	-
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence								
Meghmani Pigments	-	-	-	-	119,215,094	41,520,704	-	-
Meghmani Pigments 100% EOU	-	-	-	-	-	23,118,890	-	-
Ashish Chemicals	-	2,339,748	-	-	2,402,950	4,807,614	-	-
Ashish Chemicals EOU Unit - II	52,185,000	12,447,750	-	-	-	-	-	-
Alpanil Industries	3,255	-	-	-	-	-	-	-
Meghmani Industries limited - Unit II	-	-	-	-	-	-	-	-
Meghmani Industries limited	-	5,850,000	66,504	-	-	5,879,262	-	1,297,758
Meghmani Industries limited -SEZ	777,776	308,000	-	-	-	-	-	-
Meghmani Dyes & Intermediate Ltd	10,217,068	10,525,696	-	-	20,466,000	3,427,669	-	-
Meghmani Chemicals Limited	7,161,822	6,104,352	-	-	-	-	-	-
Matangi Industries	-	-	-	-	2,611,308	6,438,278	-	5,526,486
Panchratna Corporation	-	-	-	-	-	-	-	-
Tapasheel Enterprise	4,270,242	29,400	-	-	-	-	-	-
Vidhi Global Chemicals Limited	8,259,700	-	-	-	-	3,246,790	-	-
Meghmani Unichem	1,206,828	1,778,360	-	766,857	-	-	-	-
Meghmani Infrastructures	-	-	-	-	-	-	-	-
Key Managerial Personnel								
Jayanti M Patel	-	-	-	-	-	-	-	-
Ashish Soparkar	-	-	-	-	-	-	-	-
Natwarlal M Patel	-	-	-	-	-	-	-	-
Ramesh M Patel	-	-	-	-	-	-	-	-
Anand I Patel	-	-	-	-	-	-	-	-
Relatives of Key Managerial Personnel								
Deval Soparkar	-	-	-	-	-	-	-	-
Karan R. Patel	-	-	-	-	-	-	-	-
Ankit N Patel	-	-	-	-	-	-	-	-
Darshan Patel	-	-	-	-	-	-	-	-
K. M. Patel	-	-	-	-	-	-	-	-
Saurabh Soparkar	-	-	-	-	-	-	-	-

MATERIAL TRANSACTIONS WITH RELATED PARTIES

(Figures in ₹)

Name of Related Parties	Interest Income 5	Interest Paid 6	Remuneration 7	Loans Taken 8	Loans/Advance Given (Repaid) 9	Loans Repaid 10	Investment 11	Total (1 + 11)
Subsidiary / Joint Venture	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
Meghmani Organics USA Inc.	-	-	-	-	-	-	-	-
Meghmani Europe BVBA	-	-	-	-	-	-	-	-
Meghmani Energy Limited	-	-	-	-	-	-	-	-
Meghmani Finechem Limited	-	-	-	-	-	-	-	-
PT Meghmani Organics Indonesia	351,374	13,421,129	70,000,000	467,300,000	36,946,128	108,123,400	-	-
Meghmani Overseas FZE	902	-	-	-	-	-	-	-
Meghmani Chemtech Limited	-	-	-	-	-	-	-	-
Triance Speciality Private Limited	-	-	-	-	-	-	-	-
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence	-	-	-	-	-	-	-	-
Meghmani Pigments	-	-	-	-	-	-	-	-
Meghmani Pigments 100% EOU	-	-	-	-	-	-	-	-
Ashish Chemicals	-	-	-	-	-	-	-	-
Ashish Chemicals EOU Unit - II	-	-	-	-	-	-	-	-
Alpanil Industries	-	-	-	-	-	-	-	-
Meghmani Industries Limited - Unit II	-	-	-	-	-	-	-	-
Meghmani Industries Limited	-	-	-	-	-	-	-	-
Meghmani Industries Limited - SEZ	-	-	-	-	-	-	-	-
Meghmani Dyes & Intermediate Ltd	-	-	-	-	-	-	-	-
Meghmani Chemicals Limited	-	-	-	-	-	-	-	-
Matangi Industries	-	-	-	-	-	-	-	-
Panchratna Corporation	-	-	-	-	-	-	-	-
Panchratna Corporation	-	-	-	-	-	-	-	-
Tapasheel Enterprise	-	-	-	-	-	-	-	-
Vidhi Global Chemicals Limited	-	-	-	-	-	-	-	-
Meghmani Unichem	-	-	-	-	-	-	-	-
Meghmani Infrastructures	-	-	-	-	-	-	-	-
Key Managerial Personnel	-	-	-	-	-	-	-	-
Jayanti M Patel	-	-	5,394,136	5,378,483	-	-	-	-
Ashish Soparkar	-	-	5,397,947	5,382,091	-	-	-	-
Natwarlal M Patel	-	-	5,397,947	5,382,091	-	-	-	-
Ramesh M Patel	-	-	5,394,134	5,378,483	-	-	-	-
Anand J Patel	-	-	5,394,134	5,378,483	-	-	-	-
Relatives of Key Managerial Personnel	-	-	-	-	-	-	-	-
Deval Soparkar	-	-	1,045,926	1,128,077	-	-	-	-
Karan R Patel	-	-	730,548	667,846	-	-	-	-
Ankit N Patel	-	-	544,402	424,128	-	-	-	-
Darshan Patel	-	-	498,444	413,250	-	-	-	-
K. M. Patel	-	-	-	-	-	-	-	-
Saurabh Soparkar	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS**32. DISCLOSURES ON FINANCIAL DERIVATIVES (AS-30)**

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

For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognized in Hedge Reserve and reclassified to Statement of Profit and Loss as per guidance in AS 30. Hedge Reserves have been debited to the extent of ₹ 12,82,48,806/- during the financial year 2013-14 (during financial year 2012-13 ₹ 4,61,99,399/-). During the financial year 2013-14 ₹ 9,40,84,074/- has been recycled from the reserves and debited to the Statement of Profit and Loss (during financial year 2012-13 ₹ 9,09,20,514/- was credited to Statement of Profit and Loss).

The ineffective portion of the change in fair value of such instruments is recognised in the Profit and Loss in the period in which they arise. During the financial year 2013-14 ₹ NIL (during financial year 2012-13 ₹ NIL) was charged to Profit and Loss being the ineffectiveness portion of the effective hedging instrument. The various cash flows with reference to the hedged items and the hedging instruments are expected to occur over the coming years and are expected to affect the Statement of Profit and Loss Account over the same period of time. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, hedge accounting is discontinued and the fair value changes arising from the derivative financial instruments are recognized in Statement of Profit and Loss.

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

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

PARTICULARS	No. of Contr acts	31 st March 2014		No. of Contr acts	31 st March 2013	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
For Hedging Foreign Currency Risk						
1) Forward Contracts for receivables including firm commitments and highly probable forecasted transactions	-	-	-	23	312,138,750	2,078,053
2) Forward Contracts for payables including firm commitments and highly probable forecasted transactions	-	-	-	-	-	-
3) Currency Swaps (ECB & NCD)	5	1,477,738,591	(343,121,088)	5	1,509,310,772	(208,402,603)
4) Interest Rate Swap	4	1,340,803,535	(21,433,861)	4	1,214,711,614	(18,154,779)
Total of Derivative Contracts entered into for Hedging Purpose		2,818,542,126	(364,554,949)		3,036,161,136	(224,479,329)

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

PARTICULARS	No. of Contr acts	31 st March 2014		No. of Contr acts	31 st March 2013	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
1) Options	-	-	-	-	-	-
2) Cross Currency Swaps	1	141,447,152	30,410,898	1	298,686,927	36,880,578
3) Interest Rate Swaps	4	1,340,803,535	(21,433,861)	4	1,214,711,614	(18,154,779)
Total of Derivative Instrument ineffective under AS 30		1,482,250,687	8,977,037		1,513,398,541	18,725,799

Foreign Currency Exposure that are not hedged by derivative instruments as on 31st March 2014 amounted to ₹ 1,61,49,16,613/- (Previous Year ₹ 1,54,26,12,930/-)

NOTES TO THE FINANCIAL STATEMENTS

33 CONTINGENT LIABILITIES and COMMITMENTS

A NOT PROVIDED FOR IN THE ACCOUNTS

PARTICULARS	(Figures in ₹)	
	As at 31 st March 2014	As at 31 st March 2013
In respect of Bank Guarantee	129,018,599	113,140,173
In respect of Letter of Credit	227,619,135	57,524,892
In respect of Corporate Guarantee	1,790,800,017	1,878,550,000

Name of Statute	Nature of Dues	(Figures in ₹)		Forum where Dispute is pending
		As at 31 st March 2014	As at 31 st March 2013	
Income Tax Act.	Income Tax / Penalty for Various Financial Year 2000-2001, 2002-2003 to 2008-2009	64,590,593	64,122,383	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/ Penalty/ Interest	38,726,873	36,382,771	Commissioner of Central Excise / Director General of Central Excise / Audit team of Central Excise / Central Excise Service Tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest	28,186,979	23,302,429	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	17,665,351	15,548,971	Labour Court
Value Added Tax	Input Tax Credit	22,913,312	18,246,501	The Joint Commercial Tax Commissioner Appeal 1

B The estimated amount of contracts remaining to be executed on capital accounts of ₹ 4,58,93,008/- (Previous Year: ₹ 11,17,48,008/-) is not provided for.

34 Excise duty Expenses of ₹ 20,81,43,514/- includes ₹ 11,90,23,658/- towards differential excise duty and ₹ 5,49,78,587/- towards Interest there on. During the year Revenue Department recovered the said differential duty on DTA sales for the period 31st January, 2014, along with interest on amount of excise duty.

Signature to Notes 1 to 34

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**

**M. M. KHANDWALA
PARTNER**

M. NO.: 32472

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014

**K. D. Mehta
Company Secretary**

For and on Behalf of Board

J. M. PATEL – Executive Chairman

A. N. SOPARKAR – Managing Director

N. M. PATEL – Managing Director

PLACE : AHMEDABAD

DATE : 23rd MAY, 2014

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To the Members of

MEGHMANI ORGANICS LIMITED

Report on the Financial Statements

We have audited the accompanying Consolidated financial statements of **Meghmani Organics Limited** (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the **Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended**, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash Flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

1. Financial statements of subsidiaries and interest in joint venture which reflect total assets of ₹ 5,968,036,116/- as at 31st March, 2014, total revenue of ₹ 2,862,579,529/- and Net cash flows amounting to ₹ 224,271,099/- for the year then ended, have been audited by us.
2. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹ 322,943,881/- as at 31st March, 2014, total revenue of ₹ 557,177,053/- and Net cash flows amounting to ₹ (494,156)/- for the year then ended. This financial statement and other financial information have been audited by other Auditor whose report has been furnished to us and our opinion is based solely on the report of such other auditor.
3. We have relied on the un-audited financial statements of two Subsidiaries whose financial statements reflect total assets of ₹ 246,958,806/- as at 31st March, 2014, total revenue of ₹ 305,919,807/- and Net Cash flow of ₹ (4,737,560)/- for the year then ended. These un-audited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report is in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on such approved un-audited financial statements.

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

Opinion

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

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the group for the year ended on that date; and
- c) In case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

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

Consolidated Balance Sheet as at 31st March 2014

PARTICULARS	Note No.	(Figures in ₹)	
		31 st March, 2014	31 st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	254,314,211	254,314,211
(b) Reserves and surplus	3	4,926,876,778	4,765,926,397
Minority Interest		923,634,353	796,982,624
(2) Non-current liabilities			
(a) Long-term borrowings	4	3,772,573,521	4,216,609,194
(b) Deferred tax liabilities (Net)	5	369,976,640	201,577,726
(c) Long-term provisions	6	430,514,617	309,493,541
(3) Current liabilities			
(a) Short-term borrowings	7	2,459,837,178	2,159,134,235
(b) Trade payables	8	1,736,443,050	1,462,284,797
(c) Other current liabilities	9	1,713,023,609	1,168,053,701
(d) Short-term provisions	10	47,682,891	67,257,242
TOTAL		16,634,876,848	15,401,633,668
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		6,842,225,210	6,135,757,617
(ii) Intangible assets		49,928,589	97,722,393
(iii) Capital work-in-progress		1,170,862,802	1,608,005,119
(iv) Intangible assets under development		90,580,766	38,942,436
(b) Non-current investments	12	5,602,750	5,602,750
(c) Long-term loans and advances	13	371,126,072	381,853,616
(d) Other non-current assets	14	281,426,048	263,230,511
(2) Current assets			
(a) Current investments	15	-	240,431,287
(b) Inventories	16	2,495,785,082	1,810,909,711
(c) Trade receivables	17	3,523,196,508	3,393,189,317
(d) Cash and Cash Equivalents	18	372,820,957	98,802,599
(e) Short-term loans and advances	19	1,214,939,575	1,145,719,893
(f) Other current assets	20	216,382,489	181,466,419
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 35		
TOTAL		16,634,876,848	15,401,633,668

AS PER OUR REPORT ATTACHED
FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

K. D. Mehta
Company Secretary

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

PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

Consolidated Statement of Profit and Loss for the year ended on 31st March 2014

Particulars	Note No.	(Figures in ₹)	
		31 st March, 2014	31 st March, 2013
Income			
Revenue from Operation		12,720,053,537	11,586,125,588
Less: Excise Duty		936,754,186	1,001,286,363
Net Revenue from Operation	21	11,783,299,351	10,584,839,225
Other Income	22	61,323,581	133,389,212
Total Income		11,844,622,932	10,718,228,437
Expenditure			
Raw Materials Consumption	23	6,593,437,984	5,803,850,384
Trading Purchases		859,555,418	500,694,171
(Increase)/Decrease in Stock	24	(539,740,334)	(150,839,025)
Employees Emoluments	25	582,203,097	488,338,093
Financial Expenses	26	676,143,729	643,270,034
Depreciation	11	802,386,991	751,213,020
Other Expenses	27	2,329,121,826	2,090,712,681
Total Expenditure		11,303,108,711	10,127,239,358
Profit Before Extraordinary Items & Tax		541,514,221	590,989,079
Extraordinary Item	28	4,954,417	8,728,177
Profit Before Tax		536,559,804	582,260,902
Current Tax		121,917,440	117,349,470
MAT Credit Entitlement		(108,500,000)	-
(Excess) / Short Provision of Tax of Eariler Years		49,916	(12,849,641)
Deferred Tax	5	168,398,914	194,830,429
Profit for the year		354,693,534	282,930,644
Minority Interest		126,651,728	110,761,917
Profit available for Appropriation		228,041,806	172,168,727
Basic and Diluted Earning Per Share of face value of ₹ 1 each	29		
before Extraordinary item		0.92	0.71
after Extraordinary item		0.90	0.68
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 35		

AS PER OUR REPORT ATTACHED
FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

K. D. Mehta
Company Secretary

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

PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
A. Cashflow from Operating Activities		
Net Profit Before Tax	536,559,804	582,260,902
Adjustment for :		
Depreciation	802,386,991	751,213,020
Unrealised Foreign Exchange	41,812,863	56,003,957
Mark to Market Loss on Derivative	97,883,950	(87,503,494)
Liability no longer Required	(15,918,529)	(1,022,225)
Expenses amortised during the year	5,374,708	3,359,194
Interest and Finance Charges	676,143,729	643,270,034
Wealth Tax Presented under rates & taxes	478,428	786,279
Dividend Received	(30,001)	(30,001)
Interest Received	(48,948,390)	(17,041,345)
(Profit) / Loss on Sale of Investment	(6,327,437)	(558,934)
(Profit) / Loss on Sale of Fixed Assets	3,430,671	4,093,329
Operating Profit before working capital changes	2,092,846,787	1,934,830,716
Adjustment for:		
Inventories	(684,875,368)	(76,258,121)
Trade Receivables	(129,481,776)	(95,168,056)
Short Term Loans and Advances	71,901,278	(141,486,262)
Other Current Assets	(33,926,411)	137,964,277
Long Term Loans and Advances	(135,894,262)	(15,389,687)
Trade Payables	299,049,205	410,812,408
Other Current Liabilities	51,967,194	(265,146)
Provisions	3,180,781	(9,337,648)
Sub Total	(558,079,359)	210,871,765
Cash Generated from operation	1,534,767,428	2,145,702,481
Direct Taxes Paid (Net)	(173,630,714)	(97,279,383)
Net Cash from operating activities	1,361,136,714	2,048,423,098
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(926,771,168)	(1,086,132,748)
Fixed Deposits made	(223,086)	(13,421,296)
Fixed Deposits withdrawn	-	156,617,078
Capital Advances	146,890,823	(128,611,571)
Deferred Payment to GIDC	(9,996,881)	9,996,881
Dividend Received	30,001	30,001
Interest Received	46,203,112	32,553,675
Purchase of Mutual Fund	-	(532,721,664)
Sales of Mutual Fund	255,994,634	494,691,997
Minority Interest	-	118,365,390
Sale of Fixed Assets	27,704,463	10,128,147
Net Cash Used in Investing Activities	(460,168,102)	(938,504,110)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
C. Cash flow from financing Activities		
Dividend paid	(25,253,581)	(25,260,988)
Tax on dividend	(4,322,070)	(4,125,612)
Interest and Finance Charges Paid	(842,755,496)	(721,320,776)
Short Term Borrowings	229,702,943	56,923,181
Proceeds from Other Borrowing	2,337,913,078	1,453,180,194
Other Borrowing Repaid	(2,267,000,000)	(1,625,600,000)
Proceeds from Bank Borrowing (Term Loan)	750,000,000	-
Bank Borrowing (Term Loan) - Repaid	(779,668,956)	(454,954,934)
Net Cash Used in Financing Activities	(601,384,082)	(1,321,158,935)
Net (Decrease)/ Increase in Cash and Cash Equivalent	299,584,530	(211,239,947)
Cash on Hand -Opening Balance	96,108,457	280,855,463
Cash on Hand -Closing Balance	395,692,987	69,615,516
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	372,820,957	98,802,599
Less - Fixed Deposit in Bank not consider as Cash and Cash Equivalent	2,898,676	2,694,142
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts (Includes Rs.20,55,191 (Previous Year Rs. 18,77,351) Pertains to Unpaid Dividend & IPO Refund Account being restricted for use)	67,304,549	93,275,863
Fixed Deposit with Bank	300,000,000	-
Cash on Hand	2,617,732	2,832,594
Cash and Cash Equivalents	369,922,281	96,108,457
Net effect of Exchange rate change on consolidation	25,770,706	(26,492,941)
Cash & Cash Equivalent at the end of the year	395,692,987	69,615,516

Notes to the cash flow statement for the year ended on 31.03.2014

- (1) The Cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash flow statement" issued by the Institute of Chartered Accountants of India.
- (2) Figures in brackets indicate cash outgo.
- (3) The previous year figures have been regrouped/restated wherever necessary to conform to this year's classification.

AS PER OUR REPORT ATTACHED
FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

K. D. Mehta
Company Secretary

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

PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

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

1. Principles of consolidation :-

The Consolidated Financial statements relate to Meghmani Organics Limited ("the Company") and its subsidiary companies. The Consolidated financial statements have been prepared on the following basis :-

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

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

3. Other significant accounting policies :-

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

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

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

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

c. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS :-

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**2 SHARE CAPITAL**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
AUTHORISED		
370,000,000 Equity Shares (Previous Year : 370,000,000)		
Each share of ₹ 1/-	370,000,000	370,000,000
	370,000,000	370,000,000
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES		
254,314,211 Equity Shares (Previous Year : 254,314,211)		
Each share of ₹ 1/- Fully Paid up	254,314,211	254,314,211
TOTAL	254,314,211	254,314,211

Reconciliation of No. of Shares

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
As at beginning of the year	254,314,211	254,314,211	254,314,211	254,314,211
Add :				
Issued During the year	-	-	-	-
Less :				
Shares bought back / Redemption etc.	-	-	-	-
As at closing of the year	254,314,211	254,314,211	254,314,211	254,314,211

Details of Shareholding

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Number of Shares held by Shareholders holding more than 5% Shares				
DBS Nominees (P) Ltd.	50,838,150	51,228,150	50,838,150	51,228,150
Mr. Jayanti Patel	18,873,946	18,873,946	18,873,946	18,873,946
Mr. Ashish Soparkar	24,617,948	24,585,410	24,617,948	24,585,410
Mr. Natwarlal Patel	25,910,477	25,910,477	25,910,477	25,910,477
Mr. Ramesh Patel	16,422,392	16,354,120	16,422,392	16,354,120
TOTAL	136,662,913	136,952,103	136,662,913	136,952,103

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

The Company has declared dividend of ₹ 0.10 Per Equity share amounting to ₹ 2,54,31,421, On 25,43,14,211 shares of ₹ 1 each (Previous Year ₹ 0.10 Per Equity share amounting to ₹ 2,54,31,421 on 25,43,14,211 share of ₹ 1 each.)

Particulars of NRI Shareholders to whom Dividend is remitted.

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Amount of Final Dividend Remitted	5,122,815	5,311,665
No. of Shareholders	1	1
No. of Shares held	51,228,150	53,116,650
Year / Period to which dividend relates	2012-13	2011-12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
(1) Securities Premium Account		
As per last year accounts	1,565,048,295	1,565,048,295
(2) Capital Reserve		
As per last year accounts	19,871,023	19,871,023
(3) General Reserve		
As per last year accounts	609,270,348	609,270,348
Add : Transferred from Profit and Loss Account	3,000,000	-
	612,270,348	609,270,348
(4) Capital Redemption Reserve		
As per last year accounts	18,432,980	18,432,980
(5) Debenture Redemption Reserve		
As per last year accounts	138,766,143	82,551,224
Add : Addition during the year	56,214,920	56,214,919
	194,981,063	138,766,143
(6) Currency Translation Reserve		
As per last year accounts	21,807,487	10,641,980
Add : Addition during the year	20,787,033	11,165,507
	42,594,520	21,807,487
(7) Hedge Reserve		
As per last year accounts	(103,092,663)	(210,132,453)
Add : (Addition) / Deduction during the year	(58,124,967)	107,039,790
	(161,217,630)	(103,092,663)
(8) Surplus in Profit & Loss Account		
As per last year accounts	2,495,822,784	2,409,622,467
Add : Profit for the year	228,041,806	172,168,727
	2,723,864,590	2,581,791,194
Less : Appropriation		
Transfer to General Reserve	3,000,000	-
Debenture Redemption Reserve	56,214,920	56,214,919
Proposed Dividend	25,431,421	25,431,421
Tax on Dividend	4,322,070	4,322,070
	88,968,411	85,968,410
	2,634,896,179	2,495,822,784
TOTAL	4,926,876,778	4,765,926,397

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**4 LONG TERM BORROWINGS**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
SECURED		
Privately Placed Non - Convertible Debentures :		
10.40% Non - Convertible Debenture redeemable at par In Indian currency	500,000,000	1,000,000,000
Term Loan Facilities from Banks and Financial Institutions:		
In Indian currency	2,280,650,813	1,772,332,520
In Foreign currency	991,922,708	1,444,276,674
(Refer Notes - 9 for Current Maturity of Term Loan & Debenture ₹ 1,311,128,683 (Previous Year ₹ 795,738,654))		
TOTAL	3,772,573,521	4,216,609,194

Details of Security and Repayment Terms :

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

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

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

- 3 External Commercial Borrowing of USD 11,000,000 equivalent to ₹ 511,390,000 from Standard Chartered Bank, Ahmedabad. The facility is secured by First charge on all the Present and Future Movable Fixed assets financed under term loan including movable fixed assets held at CH-1-2/A. GIDC Dahej, Taluka Vagra, Bharuch and repayable in 13 Quarterly Installment amount of USD 7,85,400 of Each & Last Instalment Of USD 7,89,800 and interest @3 Month LIBOR + 2.5%.

- 4 Rupee Term Loan facility of ₹ 300,000,000 from HDFC Bank, Nr. Mithakhali Cross Road, Ahmedabad. The facility is Secured by First Pari Passu charge with ICICI Bank Limited on movable and immovable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 20 Quarterly installments of INR 15,000,000 each commencing from 30th April, 2016 and interest @ Base rate plus 1.75% per annum with monthly rests. At present interest rate is 11.75% with moratorium of 2 years.

- 5 Rupee Term Loan facility of ₹ 450,000,000 from ICICI Bank Limited, JMC House, Ambawadi, Ahmedabad. The facility is Secured by First Pari Passu charge with HDFC Bank on movable and immovable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 24 Quarterly installments of INR 18,750,000 each commencing from 30th June, 2016 and interest @ Base rate plus 2.10% per annum with monthly rests. At present interest rate is 12.10% with moratorium of 2 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 6 The Group Company Meghmani Finechem Limited has availed term loan from ICICI Bank Limited. The Bank has refinanced term loan of ₹ 2,200,000,000. The entire facility of ₹ 2,200,000,000 has been secured by Deed of Hypothecation dated 30th January, 2012 the whole of movable properties of the Company, including its movable plant & machinery, machinery spares, tools and accessories other movables both present and future wherever situate including Raw Material, Stock in Process, Finished Goods, Book Debts, Bills situated any where.
- The rate of interest of term loan from ICICI Bank Limited is @ Base Rate plus 1.92% (spread) . The repayment of this loan started from March 2012.
- This charge is jointly held with (1) First pari passu charge on movable fixed assets for (1) US \$ 20,000,000 to IFC Washington USA (2) US \$ 15,000,000 to Standard Chartered Bank, London and second pari passu charge on all the Current Assets of the Company along with other lenders.
- 7 The Group Company Meghmani Finechem Limited has availed a Foreign Exchange Term Loan by way of External Commercial Borrowing of US \$ 20,000,000 (₹ 864,548,645) from International Finance Corporation (IFC), Washington, USA. The Company has executed Unattested Memorandum of Hypothecation on 11th December, 2008 in favour of International Finance Corporation (IFC), Washington, USA represented by State Bank of India in its capacity as Security Trustee to secure Foreign Exchange Term Loan of External Commercial Borrowing of US \$ 20,000,000 by way of creating First Pari Passu charge on movable fixed assets and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.
- The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US \$ 20,000,000 from International Finance Corporation (IFC) is 1.80% per annum above 6 month LIBOR. The repayment started from October 2011 in 14 half yearly equal installments.
- 8 The Group Company Meghmani Finechem Limited has availed US \$ 15,000,000 (₹ 690,975,000) ECB from Standard Chartered Bank, United Kingdom by executing Memorandum of Hypothecation dated 16th February, 2012. The entire facility has been secured by (1) First pari passu charge on all present and future movable fixed assets of the company including movable plant and machinery etc. and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.
- The rate on interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US \$ 15,000,000 from Standard Chartered Bank (SCB) is 2.80% per annum above 3 month LIBOR. The repayment started from May 2013 in 14 quarterly equal installments.
- 9 The indenture of mortgage on immovable properties of the Company situated at Plot NO. CH 1 and CH 2 has been created on 18th October, 2012 to secure term loan of ₹ 2,200,000,000 of ICICI Bank and ECB of US\$ 15,000,000 (₹ 765,000,000) of Standard Chartered Bank, London. Alongwith this the indenture of mortgage created to secured term loan by way of ECB availed from IFC of US\$ 20,000,000 exists.
- 10 The Group Company, Meghmani Energy Limited has availed US\$ 2,500,000 (Equivalent to ₹ 10,15,12,500 as per the prevailing rate) External Commercial Borrowing from ICICI Bank Limited - Bahrain disbursed in June 2007 @ 6 month LIBOR + 1.28% rate of interest repayable on 12 half yearly equal instalments starting from December 2008. The said term loan is secured by exclusive charge on all movable and immovable Fixed Assets located at Plot no - 398, Village Chharodi Ta. Sanand Dist. Ahmedabad. The loan has since been repaid.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**5 DEFERRED TAX LIABILITIES (NET)****Major Components of Deferred Tax:**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Deferred Tax Liability:		
Difference in value of Fixed Asset due to depreciation and other allowances	517,467,454	540,606,546
Deferred Tax Assets:		
Disallowance u/s 43B of Income Tax Act, 1961	147,490,814	339,028,820
TOTAL	369,976,640	201,577,726
Deferred Tax Expenses/(Saving) charged to Profit & Loss Account	168,398,914	194,830,429

- As regards Deferred Tax as per Accounting Standard-22 (AS-22) on "Accounting for Taxes on Income", there exist deferred tax asset due to current year losses and unabsorbed depreciation.
- The Group Company Meghmani Finechem Limited has recognised deferred tax assets on unabsorbed losses and unabsorbed depreciation in view of utilisation of full capacity in subsequent year being sufficient evidence for substantiating the virtual certainty of recoverability of losses.
- The Group Company Meghmani Energy Limited has derecognised deferred tax assets on unabsorbed losses and unabsorbed depreciation as the management of the company contends that according to AS-22, it needs to consider the virtual certainty supported by convincing evidences only for the recognition of the deferred tax assets arises from unabsorbed depreciation and carry forward of tax losses and as there is no virtual certainty supported by the convincing evidence to recognise the deferred tax assets.

6 LONG TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Provision for Employee Benefits (Refer Note No - 10)	11,994,493	1,961,823
Fair Value of Financial Derivatives (Refer Note below)	418,520,124	307,531,718
TOTAL	430,514,617	309,493,541

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Opening Balance	307,531,718	409,202,216
Addition during the year	131,527,887	92,567,372
Used during the year	20,539,481	194,237,870
Closing Balance	418,520,124	307,531,718

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 SHORT TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Secured Loans		
Working Capital Facilities from Banks :		
In Indian currency	2,039,837,178	2,010,134,235
Unsecured Loans		
From Banks - In Indian Currency	420,000,000	149,000,000
TOTAL	2,459,837,178	2,159,134,235

Details of Security and Repayment Terms :

- i The interest rate on working capital facilities from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bank) varies within the range of 10.90% to 14.00% (both inclusive) and are secured by :-
 - (a) First Pari Passu charge created on 9th October, 2003 for ₹ 79.45 Crore was further extended on 28th May 2005 for ₹ 155.35 Crore, on 23rd January, 2007 for ₹ 218.65 Crore and on 28th August, 2009 for ₹ 343.08 Crore in favour of State Bank of India and its consortium Bank by way of hypothecation of the entire stock of raw materials, work in process, finished goods, stores and spares and receivables. The present consortium is lead by State Bank of India.
 - (b) First Pari Passu charge on immovable fixed assets to State Bank of India and its consortium bank as collateral security for the working capital facilities of ₹ 343.08 Crore.
 - (c) The indenture of the mortgage created on immovable properties are located at :
 - (i) Plot No. 168,180,183 and 184 of GIDC Industrial Estate, Vatva, Ahmedabad;
 - (ii) Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad;
 - (iii) Plot No. 21 & 21/1 of GIDC Industrial Estate Panoli, Taluka Ankleshwar;
 - (iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar
- ii Unsecured Short Term Loan of ₹ 600,000,000 has been sanctioned by HDFC Bank Limited. The Out standing Short Term Loan as on 31st March, 2014 is ₹ 420,000,000 comprising of three short term loans of ₹ 150,000,000 ₹ 170,000,000 and ₹ 100,000,000 for 90 days availed on 13.01.2014, 24.01.2014 and 14.02.2014 respectively, with interest rate ranging from 10.50% per annum to 10.70% per annum.

8 TRADE PAYABLE

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Micro, Small and Medium Enterprises	88,015,448	54,004,035
Others	1,648,427,602	1,408,280,762
(Refer Notes below)		
TOTAL	1,736,443,050	1,462,284,797

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Notes :-**

- i The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances Creditors are subject to confirmation.
- ii The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and accordingly company has provided for interest of ₹ 63,10,747/- (Previous Year ₹ 22,32,402/-) being payable as required under the said act.
- iii The Group Company Meghmani Finechem Limited has entered into a contract for High Sea Purchase of Coal with suppliers. However, as per the terms of contract the company get piecemeal delivery of the goods. Therefore the Company is accounting for the purchase on delivery basis of the goods. This accounting treatment does not affect the Profit or Loss of the Company.

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;		
Principal Amount	88,015,448	54,004,035
Interest Amount	6,310,743	2,232,402
the amount of interest paid by the buyer in terms of Section 18 of MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,	3,756,795	551,188
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4,574,903	600,026
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	6,310,743	2,232,402

9 OTHER CURRENT LIABILITIES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Current maturities of long-term debt (Refer Note No - 4)	1,311,128,683	795,738,654
Interest accrued but not due on borrowings	31,381,584	33,035,248
Deferred Payment to GIDC	-	9,996,881
Employee Benefit Payable	52,471,858	42,350,086
Advance Received from Customer	35,582,893	29,422,559
Statutory Payments	120,100,688	83,128,042
IPO Refund Payable (Refer Note i & ii below)	106,400	106,400
Unpaid Dividend (Refer Note ii below)	1,948,791	1,770,951
Proposed Dividend & Provision of tax on dividend	29,753,491	29,753,491
Payable for retention money	6,198,568	5,453,611
Payable - Capital Goods	118,039,910	135,065,376
Interest as per MSMEDA, 2006 (Refer Note No - 8(ii))	6,310,743	2,232,402
TOTAL	1,713,023,609	1,168,053,701

Notes :

- i IPO Refund Payable represents share application money received at the time of IPO and pending for refund due to non-traceability of investors. The Company has kept the balance of such money in a separate account with Bank and as informed to statutory authorities no interest thereon is provided.
- ii The amount outstanding in respect of IPO Refund and unpaid dividend will be transferred to Investor Education and Protection Fund under Section 205 of the Companies Act, 1956.

10 SHORT TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Wealth Tax payable	478,430	565,711
Current Tax payable	35,624,439	40,247,209
Provisions for Employee Benefits (Refer Notes - 31)	11,580,022	26,444,322
TOTAL	47,682,891	67,257,242

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11 Fixed Assets As on 31st March 2014

(Figures in ₹)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block			
		Opening	Addition	Deduction/ Adjustment	Transfer & Ex. Rate Diff.	Closing	Opening	Provision For the Year	Deduction/ Adjustment	Transfer & Ex. Rate Diff.	Closing Balance 31 st March, 2014	Closing Balance 31 st March, 2013	
Tangible Assets													
1	Freehold Land	29,357,505	-	6,056,327	1,250,112	24,551,290	-	-	-	-	24,551,290	29,357,505	
2	Leasehold Land	413,978,594	1,137,798	-	-	415,116,392	19,858,974	4,526,648	-	-	390,730,770	394,119,620	
3	Building	1,747,947,376	531,036,786	25,426,935	6,949,986	2,260,507,213	249,254,355	57,829,402	4,396,656	1,634,979	304,322,080	1,498,693,021	
4	Plant & Machinery	7,325,614,240	1,018,635,242	26,651,054	(89,781,620)	8,227,816,808	3,230,310,170	665,508,386	21,873,809	626,846	3,874,571,593	4,095,304,070	
5	Furniture & Fixtures	52,138,772	4,935,234	880,583	197,016	56,390,439	27,384,051	2,768,081	822,796	201,748	29,531,084	24,754,721	
6	Vehicles	107,755,746	11,493,521	12,265,584	374,891	107,358,574	36,561,011	9,331,303	6,421,358	269,988	39,740,944	71,194,735	
7	Computers	33,666,224	1,677,404	9,938	150,683	35,484,373	26,892,001	1,937,658	9,300	153,907	28,974,266	6,774,223	
8	Other Equipments	26,272,941	3,023,758	165,590	5,790	29,136,899	10,713,219	1,965,063	75,968	8,875	16,525,710	15,599,722	
	Total	9,736,731,398	1,571,939,743	71,456,011	(80,853,142)	11,156,361,988	3,600,973,781	743,866,541	33,599,887	2,896,343	4,314,136,778	6,842,225,210	
Intangible Assets													
1	Software Licences	36,690,856	-	-	-	36,690,856	20,485,154	7,003,419	-	-	27,488,573	16,205,702	
2	Product Licences	111,869,672	2,179,250	-	(225,844)	113,823,078	71,905,938	17,063,132	-	(106,628)	88,862,442	39,983,734	
3	ETP Usage Rights	173,263,324	8,666,612	-	-	181,929,936	131,710,367	34,453,899	-	-	166,164,266	41,552,957	
	Total	321,823,852	10,845,862	-	(225,844)	332,443,870	224,101,459	58,520,450	-	(106,628)	282,515,281	49,928,589	
Capital WIP													
1	Tangible Assets	1,608,005,119	436,162,401	864,079,718	(9,225,000)	1,170,862,802	-	-	-	-	1,170,862,802	1,608,005,119	
2	Intangible Assets	38,942,436	51,638,330	-	-	90,580,766	-	-	-	-	90,580,766	38,942,436	
	Total	1,646,947,555	487,800,731	864,079,718	(9,225,000)	1,261,443,568	-	-	-	-	1,261,443,568	1,646,947,555	
	Grand Total	11,705,502,805	2,070,586,336	935,535,729	(90,303,986)	12,750,249,426	3,825,075,240	802,386,991	33,599,887	2,789,715	4,596,652,059	7,880,427,565	
	Previous Year	10,499,059,636	1,390,733,154	161,872,087	(22,417,898)	11,705,502,805	3,085,257,782	751,213,020	11,433,519	37,957	3,825,075,240	7,880,427,565	

i Capital WIP- Tangible Assets includes Expenses during Construction Period ₹ 19,95,26,061/- (Previous Year ₹ 22,63,66,030/-)

ii Borrowing cost Capitalised during the year ₹ 18,24,18,549/- (Previous Year ₹ 11,52,45,650/-)

iii Deduction in Depreciation includes ₹ 61,67,871/- being depreciation transfer to Capital WIP

iv The Group Company Meghmani Energy Limited has relocated its fixed assets i.e. Plant & Machinery etc. from Charrodi Tal. Sanand Site to Panoli Dist. Ankleshwar Site & the assets relocation is in process & company has not started production at the relocated site.

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

Sr. No.	Particulars	Gross Block				Depreciation				Net Block			
		Opening	Addition	Deduction	Transfer & to/ from Other division	Closing	Opening	Provision For the Year	Deduction	Transfer & to/ from Other division	Closing	Closing Balance 31 st March, 2014	Closing Balance 31 st March, 2013
Tangible Assets													
1	Building	1,144,279	-	-	-	1,144,279	142,076	36,308	-	-	178,384	965,895	1,002,203
2	Plant & Machinery	22,036,966	1,604,351	-	-	23,641,317	12,216,948	1,505,995	-	-	13,722,943	9,918,374	9,820,018
3	Furniture & Fixtures	2,644,103	-	-	-	2,644,103	581,850	159,003	-	-	740,853	1,903,250	2,062,253
4	Vehicles	955,980	-	-	-	955,980	365,375	86,278	-	-	451,653	504,327	590,605
5	Computers	241,400	16,850	-	-	258,250	98,943	39,747	-	-	138,690	119,560	142,457
6	Other Equipments	236,881	58,300	-	-	295,181	47,730	43,923	-	-	91,653	203,528	189,151
	Total	27,259,609	1,679,501	-	-	28,939,110	13,452,922	1,871,254	-	-	15,324,176	13,614,934	13,806,687
Intangible Assets													
1	Product Licences	36,939,881	-	-	-	36,939,881	18,061,795	7,387,977	-	-	25,449,772	11,490,109	18,878,086
	Total	36,939,881	-	-	-	36,939,881	18,061,795	7,387,977	-	-	25,449,772	11,490,109	18,878,086
	Grand Total	64,199,490	1,679,501	-	-	65,878,991	31,514,717	9,259,231	-	-	40,773,948	25,105,043	32,684,773

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
(1) In Other Investments		
(i) 4 Equity Shares of Alaukik Owners Association of ₹ 100 each - unquoted	400	400
(ii) 4,91,585 Equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of ₹ 10 each	4,915,850	4,915,850
(iii) 14,000 Equity shares of Bharuch Eco Environ Infrastructure Ltd. of ₹ 10 each	140,000	140,000
(iv) 500 Equity shares of Green Environment Services Co.Op.Soc.Ltd. of ₹ 10 each	5,000	5,000
(v) 30,000 Equity shares of Panoli Enviro Technology of ₹ 10 each	300,000	300,000
(vi) 100 Equity shares of Sanand Eco Project Limited of ₹ 10 each	1,000	1,000
(vii) 2,000 Equity shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50 each	100,000	100,000
(viii) 10 Equity shares of Vellard View Premises Co. Op. Soc. Ltd. of ₹ 50 each	500	500
(b) Investments in Government or Trust Securities - National Savings Certificate - Unquoted and Fully Paid	38,000	38,000
Total (1)	5,500,750	5,500,750
(2) Other Non-Current Investments - Fully Paid		
(i) 2,000 Equity shares of Saket Project Ltd. of ₹ 100 each - Quoted	20,000	20,000
(ii) 8,200 Equity shares of Lanzorate Finance Limited of ₹ 10 each - Unquoted	82,000	82,000
Total (2)	102,000	102,000
TOTAL(1+2)	5,602,750	5,602,750

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Non-Current: Equity Shares of Saket Project Ltd.		
Carrying Amount	20,000	20,000
Market Value	Not Available	Not Available

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Non-Current	5,582,750	5,582,750
Current	-	-
Aggregate Value of Provision For Diminution in Value	Nil	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note :- Given below are the financials of Jointly controlled entity, Trience Speciality Chemicals Pvt. Ltd. related to the Company's interests of 39.00% (Previous Year 39.00%)

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Assets	619,519	1,133,838
Liabilities	241,012	943
Incomes	-	-
Expenses	754,388	2,119,197

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

As per Capital Clause of Memorandum of Association of Trience, the Joint Venture Partners had to subscribe ₹ 100,000,000. Trience had called to subscribe ₹ 10,000,000/- to meet with the Preliminary expenses. Accordingly, Meghmani Organics Limited has subscribed ₹ 3,900,000/- towards its share.

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

13 LONG TERM LOANS AND ADVANCES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Capital Advances	273,826,362	288,181,053
Security Deposits	93,209,594	89,582,447
Balance with Government Authorities	4,090,116	4,090,116
TOTAL	371,126,072	381,853,616

14 OTHER NON CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Unamortised Upfront Charges on borrowings	44,341,332	49,716,040
Derivative Assets	215,169,583	190,316,827
Deposits for Margin Money with Banks exceeding one year (Refer Note below)	21,915,133	23,197,644
TOTAL	281,426,048	263,230,511

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15 CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Other Investments		
Investments in Mutual Funds (Quoted/Unquoted) (Fully Paid/ Partly Paid)		
Morgan Stanley Multi asset Fund	-	50,000,000
Reliance Income Fund Growth Plan	-	50,000,000
Morgan Stanley Active Bond Fund	-	50,000,000
Birla Sun Life Dynamic Bond Fund	-	50,000,000
Reliance Liquid Fund	-	10,240,392
Religare Ultra Short Term Fund	-	20,110,539
ING Treasury Advantage Fund	-	10,080,356
TOTAL	-	240,431,287

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Aggregate Value of Quoted Investment		
Current:		
Carrying Amount	-	240,431,287
Market Value	-	244,765,158

16 INVENTORIES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Raw Materials	638,494,381	525,703,045
Work In Process	146,973,331	65,567,815
Finished Goods	1,231,187,826	689,648,396
Finished Goods in Transit	108,292,008	170,398,865
Trading Goods	197,923,423	219,021,178
Stores & Spares	119,980,005	95,858,011
Others (Packing Material & Fuel)	52,934,108	44,712,401
(Refer Note Below)		
TOTAL	2,495,785,082	1,810,909,711

Note :-

- Stock of Finished Goods Includes Excise Duty of ₹ 10,24,05,198/- (Previous Year ₹ 6,90,09,256/-).
- The Company has written down the value of inventory and had charged the same to Raw Material Consumption (Refer Note no - 23), Packing Material Consumption (Refer Note No - 27) & Increase / Decrease in Stock (Refer Note no - 24) as under.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Raw Materials	3,792,394	2,296,773
Finished Goods	3,099,652	3,241,656
Trading Goods	61,694	5,803,134
Others (Packing Material & Fuel)	1,964,538	2,945,992
TOTAL	8,918,278	14,287,555

17 TRADE RECEIVABLES
 (Unsecured and Considered Good)

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Exceeding Six Months	260,077,855	305,615,048
Others	3,263,118,653	3,087,574,269
TOTAL	3,523,196,508	3,393,189,317

Notes :-

- i Includes ₹ 59,762,561 (Previous Year: ₹ 58,851,021) due from Firm or a Company in which some of the Directors are interested.
- ii The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Trade Receivables are subject to confirmation.

18 CASH AND BANK BALANCES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Balance with Banks (Refer note i below)	67,304,549	93,275,863
Cash on hand	2,617,732	2,832,594
Fixed Deposit with Banks (Refer note ii below)	302,898,676	2,694,142
TOTAL	372,820,957	98,802,599

Notes :-

- i The Current Account balance includes unpaid dividend of ₹ 19,48,791/- (Previous Year ₹ 17,70,951/-) and ₹ 1,06,400/- (Previous Year ₹ 1,06,400/-) towards IPO Refund Payable which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such accounts.
- ii Fixed Deposit with banks is due within one year and held as margin money ₹ 3,438,509/- (Previous Year ₹ 2,694,142/-).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19 SHORT TERM LOANS AND ADVANCES

Unsecured and Considered Good

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Balance with Government Department	742,550,653	799,357,104
Advance Income Tax & Tax Deducted at Source	151,262,519	104,787,642
MAT Credit Entitlement	108,500,000	-
Prepaid Expenses	15,276,317	15,697,508
Advance Payment to Vendors	190,926,419	218,862,314
Staff Advances	6,423,667	7,015,325
TOTAL	1,214,939,575	1,145,719,893

20 OTHER CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Export Benefit Receivable	158,568,935	133,994,352
Insurance Claim Receivable	42,406,918	42,059,872
Interest Accrued	6,079,420	3,334,142
Derivative Assets	-	2,078,053
TOTAL	216,382,489	181,466,419

21 REVENUE FROM OPERATIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Sale of Products	11,569,450,422	10,402,231,480
Other Operating Revenue	213,848,929	182,607,745
TOTAL	11,783,299,351	10,584,839,225

Break up of Sale of Products

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Pigments	3,332,510,545	2,608,738,459
Agro Chemicals	3,967,145,498	3,397,781,213
Basic Chemical	2,623,582,752	2,885,179,750
Others	1,646,211,627	1,510,532,058
TOTAL	11,569,450,422	10,402,231,480

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**22 OTHER INCOME**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Interest Income	48,948,390	17,041,345
Dividend Income From Others	30,001	30,001
Mark to Market Gain on Derivatives	-	109,536,947
Provision no longer required	-	44,313
Commission - Export	970,117	376,182
Miscellaneous Income	2,405,457	5,601,840
Rent Received	2,642,179	199,650
Profit / Loss on Sale of Investment	6,327,437	558,934
TOTAL	61,323,581	133,389,212

23 COST OF MATERIALS CONSUMED

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Pigments	2,877,823,823	2,254,660,750
Agro Chemicals	2,575,179,684	2,361,077,971
Basic Chemical	1,140,434,477	1,188,111,663
TOTAL	6,593,437,984	5,803,850,384

Includes written down value of Raw Material of ₹ 37,92,394/- (Previous Year ₹ 22,96,773/-) (Refer Note No - 16(ii)).

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Agro Chemicals	261,343	24,506
TOTAL	261,343	24,506

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
(A) Opening Stock		
(i) Finished Goods	620,639,140	533,641,764
(ii) Trading Goods	219,021,178	265,772,592
(iii) Excise duty on Finished Goods	69,009,256	61,618,205
(iv) Goods in Transit	170,398,865	67,976,323
(v) Work-in-Process	65,567,815	64,788,345
TOTAL (A)	1,144,636,254	993,797,229
(B) Closing Stock		
(i) Finished Goods (Refer Note below)	1,128,782,628	620,639,140
(ii) Trading Goods (Refer Note below)	197,923,423	219,021,178
(iii) Excise duty on Finished Goods	102,405,198	69,009,256
(iv) Goods in Transit	108,292,008	170,398,865
(v) Work-in-Process	146,973,331	65,567,815
TOTAL (B)	1,684,376,588	1,144,636,254
TOTAL (A - B)	(539,740,334)	(150,839,025)

Note :- Includes written down value of Finished Goods of ₹ 30,99,652/- (Previous Year ₹ 32,41,656/-) (Refer Note No - 16(iii) & Trading Goods of ₹ 61,694/- (Previous Year ₹ 58,03,134/-) (Refer Note No - 16(iii))

25 EMPLOYEES EMOLUMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Salary & Wages	351,143,721	305,387,626
Directors Remuneration	26,978,298	26,899,629
Statutory Contribution	14,832,234	13,245,487
Staff Welfare Expenses	33,683,983	28,414,421
Labour Contract Charges	155,564,861	114,390,930
TOTAL	582,203,097	488,338,093

Above expenses includes Research & Development related expenses as follows

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Salary & Wages	5,691,029	5,122,583
Statutory Contribution	116,167	109,701
Staff Welfare Expenses	1,161,909	321,194
TOTAL	6,969,105	5,553,478

26 FINANCIAL EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Interest	652,602,457	619,434,385
Other Financial Charges	23,541,272	23,835,649
TOTAL	676,143,729	643,270,034

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27 OTHERS EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Consumption of Stores and Spare Parts	161,520,012	131,162,010
Power and Fuel	888,050,156	736,280,126
Repairs to Buildings	16,176,064	13,007,868
Repairs to Machinery	96,604,839	73,871,509
Pollution Control Expenses	117,512,904	98,354,950
Excise Duty Expenses (Refer Note - 35)	211,666,631	33,145,026
Rent (Refer Note -iii)	5,459,637	4,942,484
Rates and Taxes	7,360,222	10,574,206
Insurance	35,016,540	36,549,020
Packing Material Consumption (Refer Note - ii)	223,774,600	186,412,190
Loss on Sale of Fixed Asset	3,430,671	4,093,329
(Gain)/Loss on Foreign Currency transactions and translations	(284,017,010)	74,506,028
Loss on Derivatives	97,883,950	-
Shipping / Air Lines Freight	183,507,736	174,768,714
Miscellaneous Expenses (Refer Note -i)	561,267,921	509,579,041
Payments to the Auditor :		
(a) as Auditor	3,156,953	2,606,180
(b) for taxation matters	400,000	300,000
(c) for company law matters	-	300,000
(d) for other services	350,000	250,000
(e) for reimbursement of expenses	-	10,000
TOTAL	2,329,121,826	2,090,712,681

Notes :-

- i Miscellaneous expenses includes Excise Duty Expenses of ₹ 3,33,95,942/- (Previous Year ₹ 73,91,051/-) Pertains to Variation in Stock of Finished Goods.
- ii Packing Material Consumption includes written down value of Packing Material of ₹ 19,64,538/- (Previous Year ₹ 29,45,992/-) (Refer Note No - 16(iii)).
- iii The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases charged to Statement of Profit and Loss for the year ₹ 54,59,637/- (Previous Year: ₹ 49,42,484/-). Not later than 1 year ₹ 54,59,637/- (Previous Year: ₹ 49,42,484/-).

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Consumption of Stores and Spare Parts	891,863	77,730
Power and Fuel	1,769,236	2,054,566
Repairs to Machinery	342,268	232,165
Miscellaneous Expenses	3,556,823	2,689,145
TOTAL	6,560,190	5,053,606

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

28 EXTRAORDINARY ITEMS

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Shortfall of Insurance Claim	4,954,417	87,28,177
TOTAL	4,954,417	87,28,177

Extra ordinary Item consists of short claim received from Insurance Company for loss due to fire during the Financial Year 2013-2014.

29 EARNING PER SHARE

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Net Profit after tax attributable to shareholders before Extra Ordinary Item	232,996,223	180,896,904
Less - Extra Ordinary Item	4,954,417	8,728,177
Net Profit after tax attributable to shareholders after Extra Ordinary Item	228,041,806	172,168,727
Weighted average number of equity shares at the end of year	254,314,211	254,314,211
Nominal value of share	1	1
Basic / Diluted Earning Per Share before Extra ordinary items	0.92	0.71
Basic / Diluted Earning Per Share after Extra ordinary items	0.90	0.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**30 AS - 15****(a) Retirement Benefits**

As per revised Accounting Standard 15 (AS-15) "Employees Benefits", the Company has recognized in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2014

(A) Defined Benefit Plans**I Components of Employer Expenses**

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Current Service Cost	3,827,744	3,447,465	553,625	713,842
Interest Cost	3,516,419	3,203,592	194,766	222,524
Expected Return on Plan Assets	(2,148,633)	(1,578,677)	-	-
Actuarial (Gain)/Loss	(1,809,766)	150,785	25,597	(993,598)
Total Expenses/(Gain) recognized in the Profit & Loss Account	3,385,764	5,223,165	773,988	(57,232)

II Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Present value of Funded Obligation	46,526,647	42,623,268	2,203,139	1,859,631
Present value of Unfunded Obligation	(1,913,241)	(949,488)	538,449	501,169
Fair Value of Plan Assets	(27,606,961)	(25,554,350)	-	-
(Assets)/Liability recognized in the Balance Sheet	17,006,445	16,119,430	2,741,588	2,360,800

III Change in Defined Benefit Obligations (DBO)

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Opening balance of Present Value of Obligation	42,623,268	37,689,312	2,360,800	2,617,924
Current Service Cost	3,827,744	3,447,465	553,625	713,842
Interest Cost	3,516,419	3,203,592	194,766	222,524
Actuarial (Gain)/Loss	(1,922,895)	455,662	25,597	(993,598)
Benefit Paid	(1,517,889)	(2,172,763)	(393,200)	(199,892)
Closing Balance of Present Value of Obligation	46,526,647	42,623,268	2,741,588	2,360,800

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

IV Changes in the Fair Value of Plan Assets

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Opening Balance of Present Value of Plan Assets	25,554,350	18,572,671	-	-
Expected Return on Plan Assets	2,148,633	1,578,677	-	-
Actuarial Gain/(Loss)	(113,129)	304,877	-	-
Contribution by Employer	1,534,996	7,270,888	-	-
Benefit Paid	(1,517,889)	(2,172,763)	-	-
Fair Value of Plan Assets as at 31 st March	27,606,961	25,554,350	-	-

V Actuarial Assumptions

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Discount Rate (per annum)	8.25%	8.25%	8.25%	8.25%
Expected Rate of Return on Assets (per annum)	8.70%	8.70%	-	-
Annual Increase in Salary Costs (per annum)	6.00%	6.00%	6.00%	6.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%

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

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

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	0.00%	0.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**VII Movement in net liability recognized in Balance Sheet**

PARTICULARS	(Figures in ₹)			
	Gratuity		Leave Encashment	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Net opening liability	17,068,918	19,116,641	2,360,800	2,617,924
P & L Charges	3,385,764	5,223,165	773,988	(57,232)
Contribution paid	(1,534,996)	(7,270,888)	(393,200)	(199,892)
Closing net liability	18,919,686	17,068,918	2,741,588	2,360,800

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - ₹ 1,28,64,054/- (Previous year ₹ 1,15,73,055/-)

31 SEGMENT REPORTING

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

Principal activities are as follows:**Pigments division**

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

Agrochemicals division

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

Basic Chemical

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

(a) Analysis By Business Segment**Segment revenue and expense:**

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

Segment assets and liabilities:

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

Inter-segment transfers:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended on 31st March, 2014:
(Figures in ₹)

	Pigments	Agro Chemicals	Basic Chemical	Others*	Elimination	Total
Revenue						
External Sales	3,332,510,545	3,967,145,498	2,623,582,752	1,646,211,627	-	11,569,450,422
Other Operating Revenue	66,866,564	133,189,576	1,169,148	12,623,641	-	213,848,929
Inter-segment Sales	616,083,650	7,120,091	205,321,383	13,195,297	(841,720,421)	-
Total Revenue	4,015,460,759	4,107,455,165	2,830,073,283	1,672,030,565	(841,720,421)	11,783,299,351
Results						
Segment Results	204,556,104	283,705,269	691,466,926	(37,695,351)	26,646,611	1,168,679,559
Un-allocable (Expenses)/Income						48,948,390
Profit from Operation						1,217,627,949
Finance Cost						(676,143,729)
Investments Income						30,001
Profit before exceptional items						541,514,221
Exceptional Items						-
Extraordinary Items						(4,954,417)
Profit Before Tax						536,559,804
Income tax Expenses						(13,467,356)
Deferred Tax (Expenses)/Income						(168,398,914)
Profit After Tax						354,693,534

Other Information	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Capital Addition	608,248,854	167,585,736	410,968,722	19,703,306	-	1,206,506,618
Depreciation	(119,836,952)	(187,887,500)	(493,855,965)	(29,367,318)	28,560,744	(802,386,991)
Non-Cash Items	63,688,481	50,050,899	(15,779,527)	21,017,878	38,507,831	157,485,562

Balance Sheet	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Assets						
Segment Assets	5,568,360,128	6,172,713,283	5,732,178,586	1,204,533,758	(2,302,671,426)	16,375,114,329
Un-allocable Corporate Assets						259,762,519
Deferred Tax Assets						-
Total Assets						16,634,876,848
Liabilities						
Segment Liabilities	3,220,001,923	3,136,971,360	3,532,804,533	992,256,562	135,818,480	11,017,852,859
Unallocable Liabilities						65,856,360
Deferred Tax Liabilities						369,976,640
Total Liabilities						11,453,685,859

*Others includes Trading Activity and Power Generation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	Pigments	Agro Chemicals	Basic Chemical	Others*	Elimination	Total
Revenue						
External Sales	2,608,738,459	3,397,781,213	2,885,179,750	1,510,532,058	-	10,402,231,480
Other Operating Revenue	67,284,595	105,206,765	1,852,353	8,264,032	-	182,607,745
Inter-segment Sales	759,844,547	29,533,885	166,554,374	21,319,293	(977,252,099)	-
Total Revenue	3,435,867,601	3,532,521,863	3,053,586,477	1,540,115,383	(977,252,099)	10,584,839,225
Results						
Segment Results	227,288,566	137,677,698	839,496,663	(42,283,618)	55,008,458	1,217,187,767
Un-allocable (Expenses)/Income						17,041,345
Profit from Operation						1,234,229,112
Finance Cost						(643,270,034)
Investments Income						30,001
Profit before exceptional items						590,989,079
Exceptional Items						-
Extraordinary Items						(8,728,177)
Profit Before Tax						582,260,902
Income tax Expenses						(104,499,829)
Deferred Tax (Expenses)/Income						(194,830,429)
Profit After Tax						282,930,644

Other Information	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Capital Addition	156,327,327	185,929,394	78,688,442	16,198,330	-	437,143,493
Depreciation	(94,370,728)	(163,398,090)	(481,835,771)	(29,349,313)	17,740,882	(751,213,020)
Non-Cash Items	29,550,916	(110,063,632)	50,266,441	2,124,809	(39,871,581)	(67,993,047)

Balance Sheet	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Assets						
Segment Assets	4,651,240,048	6,007,955,772	5,784,188,548	1,318,722,215	(2,392,783,101)	15,369,323,482
Un-allocable Corporate Assets						104,787,642
Deferred Tax Assets						32,245,331
Total assets						15,506,356,455
Liabilities						
Segment Liabilities	2,182,876,600	3,137,278,996	3,945,905,642	1,009,587,779	(93,922,638)	10,181,726,379
Unallocable Liabilities						70,566,411
Deferred Tax Liabilities						233,823,057
Total Liabilities						10,486,115,847

*Others includes Trading Activity and Power Generation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B Analysis By Geographical Segment

(i) Segment Revenue

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

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Export	7,139,774,499	6,161,223,349
Domestic	4,429,675,923	4,241,008,131
TOTAL	11,569,450,422	10,402,231,480

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

(ii) Segment Assets

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Outside India	3,126,117,614	3,145,232,350
Within India	13,508,759,234	12,361,124,105
TOTAL	16,634,876,848	15,506,356,455

(iii) Segment Liabilities

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Outside India	2,814,304,894	2,805,025,547
Within India	7,715,746,612	6,884,107,676
TOTAL	10,530,051,506	9,689,133,223

(iv) Segment Capital Expenditure

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
Outside India	-	42,218
Within India	1,582,785,605	437,101,271
TOTAL	1,582,785,605	437,143,489

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**32 RELATED PARTIES DISCLOSURES :-**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

RELATED PARTIES DISCLOSURES :-
Related Parties Material Transactions

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Purchase of Goods	144,695,352	88,439,207	-	-	-	-	144,695,352	88,439,207
Sale of Goods	252,263,910	192,656,276	-	-	-	-	252,263,910	192,656,276
Sale of Fixed assets	66,504	766,857	-	-	-	-	66,504	766,857
Purchase of Service	-	42,573	-	-	-	-	-	42,573
Purchase of Assets	-	6,824,244	-	-	-	-	-	6,824,244
Remuneration	-	-	26,978,298	26,899,631	4,453,464	3,873,491	31,431,762	30,773,122
Total	397,025,766	288,729,157	26,978,298	26,899,631	4,453,464	3,873,491	428,457,528	319,502,279

Outstanding Balances with Related Parties

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Debtors	59,762,561	58,851,021	-	-	-	-	59,762,561	58,851,021
Creditors	57,290,390	(135,997,258)	-	-	-	-	57,290,390	(135,997,258)
Advance for Capital Expenditure	177,500,000	-	-	-	-	-	177,500,000	-
Salary, PF & Gratuity Payable	-	-	952,700	1,253,200	226,539	308,324	1,179,239	1,561,524
Total	294,552,951	(77,146,237)	952,700	1,253,200	226,539	308,324	295,732,190	(75,584,713)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Party Name	Relationship	Nature of Trans.	Total
Ashish Chemicals EOU Unit - II	Enterprises in which Directors & KMP have significant influence	Sale of Goods	52,185,000
Meghmani Industries Limited - Unit II		Sale of Goods	10,763,884
Meghmani Industries Limited		Sale of Assets	66,504
Meghmani Industries Limited -SEZ		Sale of Goods	17,652,661
Meghmani Dyes & Intermediate Ltd		Sale of Goods	34,665,867
Meghmani Chemicals Limited		Sale of Goods	7,161,822
Meghmani Pigment-I		Sale of Goods	6,797,457
Meghmani Pigment 100% EOU		Sale of Goods	10,461,797
Vidhi Global Chemicals Limited		Sale of Goods	8,259,700
Tapsheel Enterprises		Sale of Goods	5,338,179
Meghmani Unichem LLP		Sale of Goods	98,977,542
Meghmani Pigment		Purchase of Goods	119,215,094
Ashish Chemical		Purchase of Goods	2,402,950
Meghmani Dyes & Intermediate Ltd		Purchase of Goods	20,466,000
Matangi Industries		Purchase of Goods	2,611,308
Panchratna Corporation		Adv.for Capital Expenditure	177,500,000
J. M. Patel	Key Managerial Personnel	Managerial Remuneration	5,394,136
A. N. Soparkar		Managerial Remuneration	5,397,947
N. M. Patel		Managerial Remuneration	5,397,947
R. M. Patel		Managerial Remuneration	5,394,134
A. I. Patel		Managerial Remuneration	5,394,134
Deval Soparkar	Relative of Key Managerial Personnel	Salary	1,045,926
Karana Patel		Salary	730,548
Ankit N Patel		Salary	544,402
Darshan I Patel		Salary	498,444
Maulik J Patel		Salary	844,996
Kaushal A Soparkar		Salary	789,148

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

33 AS-30 DISCLOSURES ON FINANCIAL DERIVATIVES

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

For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognized in Hedge Reserve and reclassified to Profit and Loss as per guidance in AS 30. Hedge Reserves have been debited to the extent of ₹ 7,63,86,888/- during the financial year 2013-14 (Previous Year ₹ 755,22,264/-). During the 2013-14 ₹ 1,82,61,931/- has been recycled from the reserves and debited to the Statement of Profit and Loss Account (Previous Year ₹ 3,15,17,527/- has been credited to the Statement of Profit and Loss Account).

The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss Account in the period in which they arise. During the financial year ended March 31, 2014 ₹ NIL (Previous Year ₹ NIL) has been charged to Profit and Loss being the ineffectiveness portion of the effective hedging instrument. The various cash flows with reference to the hedged items and the hedging instruments are expected to occur over the coming years and are expected to affect the Statement of Profit and Loss account over the same period of time. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, hedge accounting is discontinued and the fair value changes arising from the derivative financial instruments are recognized in Profit and Loss.

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

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

Particulars	No. of Contracts	31 st March, 2014		No. of Contracts	31 st March, 2013	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
For Hedging Foreign Currency Risk						
1) Forward Contracts for receivables including firm commitments and highly probable forecasted transactions	-	-	-	23	312,138,750	2,078,053
2) Forward Contracts for payables including firm commitments and highly probable forecasted transactions	-	-	-	-	-	-
3) Currency Swaps (ECB & NCD) (MOL, MFL & MEL)	7	2,229,828,787	(158,362,404)	8	2,456,795,970	(69,121,359)
4) Interest Rate Swap	4	1,340,803,535	(21,433,861)	4	1,214,711,614	(18,154,779)
Hedge for Currency Risk - Total		3,570,632,322	(179,796,265)		3,983,646,334	(85,198,085)
Interest Rate Risk (MFL)	3	660,309,839	(37,417,466)	4	731,149,154	(53,196,993)
Total of Derivative Contracts entered into for Hedging Purpose		4,230,942,161	(217,213,731)		4,714,795,487	(138,395,078)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	No. of Contracts	31 st March, 2014		No. of Contracts	31 st March, 2013	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
1) Cross Currency Swaps (MOL & MEL)	1	141,447,152	30,410,898	2	309,996,302	28,853,639
2) Interest Rate Swaps	4	1,340,803,535	(21,433,861)	4	1,214,711,614	(18,154,779)
Total of Derivative Instrument ineffective under AS 30		1,482,250,687	8,977,037		1,524,707,916	10,698,860

34 CONTINGENT LIABILITIES AND COMMITMENTS**A NOT PROVIDED FOR IN THE ACCOUNTS**

PARTICULARS	(Figures in ₹)	
	31 st March 2014	31 st March 2013
In respect of Bank Guarantee	149,732,806	135,754,380
In respect of Letter of Credit	227,619,135	57,524,892
In respect of Corporate Guarantee	1,790,800,017	1,878,550,000

Name of Statute	Nature of Dues	(Figures in ₹)		Forum where Dispute is pending
		31 st March 2014	31 st March 2013	
Income Tax Act.	Income Tax / Penalty for Various Financial Year 2000-2001, 2002-2003 to 2008-2009	64,590,593	64,122,383	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/ Penalty/ Interest	38,726,873	36,382,771	Commissioner of Central Excise / Director General of Central Excise / Audit team of Central Excise / Central Excise Service tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest	28,186,979	23,302,429	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	17,665,351	15,548,971	Labour Court
Value Added Tax	Input Tax Credit	22,913,312	18,246,501	The Joint Commercial Tax Commissioner Appeal 1

B The estimated amount of contracts remaining to be executed on capital accounts of ₹ 4,58,93,008/- (Previous Year: ₹ 25,27,07,742/-) is not provided for.

35 Excise duty Expenses of ₹ 20,81,43,514/- includes ₹ 11,90,23,658/- towards differential excise duty and ₹ 5,49,78,587/- towards Interest there on. During the year Revenue Department has recovered the said differential duty on DTA Sales for the period till 31st January, 2014, along with interest of amount of excise duty.

Signature to Notes 1 to 35

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

K. D. Mehta
Company Secretary

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

PLACE : AHMEDABAD
DATE : 23rd MAY, 2014

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

Sr.No.	Name of Subsidiary Company	Meghmani Energy Limited	Meghmani Finechem Limited	Meghmani Chemtech Limited	Meghmani Europe BVBA	Meghmani USA INC	PT Meghmani Indonesia	Meghmani Overseas FZE
1.	Financial year of the Subsidiary Company ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
2.	Holding company's interest (a) number of share fully paid (b) extent of holding	3,999,400 100%	40,446,820 57%	730,000 97%	61299 100%	292,500 100%	2,50,000 100%	1 100%
3.	Net aggregate amount of profit / (loss) of the Subsidiary, so far as they concern members of the MEGHMANI ORGANICS LTD (i) for the financial year of the subsidiary (a) dealt with in the account of the holding company (b) not dealt with in the account of the holding company (ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary (a) dealt with in the account of the holding company (b) not dealt with in the accounts of the holding company	₹ in Crore (3.05) — (1.36) —	₹ in Crore 16.90 12.66 14.74 11.12	₹ in Crore (0.00) — (0.02) —	₹ in Crore (0.92) — (1.72) —	₹ in Crore 2.04 — 1.41 —	₹ in Crore (1.47) — (2.24) —	₹ in Crore 0.08 — 0.57 —
4.	As the financial year of the subsidiary companies coincide with the financial year of the holding Company, Section 212 (5) of the Companies Act, 1956 is not applicable	—	—	—	—	—	—	—

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

Sr.No.	Name of Subsidiary Company	Meghmani Energy Limited	Meghmani Finechem Limited	Meghmani Chemtech Limited	Meghmani Europe BVBA	Meghmani USA INC	PT Meghmani Indonesia	Meghmani Overseas FZE
1.	Financial year of the subsidiary company ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
2.	Holding company's interest (a) number of share fully paid (b) extent of holding	3,999,400 100%	40,446,820 57%	730,000 97%	61,299 100%	292,500 100%	2,50,000 100%	1 100%
3.	Capital Reserves/Translation Reserves Debit Balance of Profit & Loss A/c Total Assets (Fixed Assets + Investments + Current Assets + Deferred Tax Assets) Total Liabilities (Debt + Current Liabilities + Deferred Tax Liabilities) Details of Investments Income Profit before Tax Provision for Tax Profit After Tax Dividend	₹ in Crores 4.00 0.93 - 14.42 9.50 - (2.25) (0.80) (3.05) -	₹ in Crores 70.76 144.80 - 581.62 366.06 286.26 44.24 14.68 29.56 -	₹ in Crores 0.75 - 0.06 0.69 0.00 - (0.00) - (0.00) -	₹ in Crores 8.11 (1.96) 7.48 23.37 24.69 27.00 (0.92) - (0.92) -	₹ in Crores 1.40 2.94 - 30.28 25.95 54.89 2.23 0.19 2.04 -	₹ in Crores 1.23 0.20 4.83 2.01 5.41 0.82 (1.47) - (1.47) -	₹ in Crores 0.05 0.65 - 1.33 0.63 3.59 0.08 - 0.08 -

MEGHMANI ORGANICS LIMITED

Regd. Office: Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. **CIN No. L24110GJ1995PLC024052**

NOTICE OF MEETING

NOTICE IS hereby given that **Twentieth Annual General Meeting** of the Company will be held on **Monday 28th July, 2014, at 10.00 a.m.** at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad -380 015 to transact the following business:-

ORDINARY BUSINESS:-

1. To receive, consider, and adopt :-
 - (i) the audited financial statement of the Company for the financial year ended 31st March, 2014 together with the report of the Board of Directors and the Auditors thereon; and
 - (ii) the audited consolidated financial statement of the Company for the financial year ended 31st March, 2014.
2. To declare a dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a director in place of Mr. Chinubhai R Shah, (DIN 00558310) who retires by rotation and being eligible offers himself for appointment as Independent Director for a period of 5 (Five) years.
4. To appoint a director in place of Mr. B T Thakkar, (DIN 00430220) who retires by rotation and being eligible offers himself for appointment as Independent Director for a period of 5 (Five) years.
5. To appoint auditors and joint auditors and fix their remuneration and in this regard to consider and if thought fit to pass the following resolution with or without modification as **Ordinary Resolution**:-

"RESOLVED THAT Khandwala & Khandwala, Chartered Accountants (Registration No. FRN 107647W) be and is hereby appointed as Auditor under Indian Generally Accepted Accounting Principles (Indian GAAP) and KPMG Chartered Accountants as Joint auditor under International Financial Reporting Standards (IFRS) (For Singapore Stock Exchange Requirements) to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting at such remuneration as shall be fixed by the Board of directors of the Company."

SPECIAL BUSINESS:-

6. To consider and if thought fit to pass the following resolution, with or without modifications, as an **Ordinary Resolution**:-

APPOINTMENT OF MR. CHANDER KUMAR SABHARWAL

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other Rules made thereunder and Clause 49 of the Listing Agreement, Mr. Chander Kumar Sabharwal, (DIN 00368621) 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, and who holds office till the conclusion of this Annual General Meeting and in respect of whom the Company has received notices in writing from members proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years from 28th July, 2014."

7. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

TO AUTHORIZE TO BORROW UP TO ₹ 1000 CRORE UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 29th July, 2011 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other Rules made thereunder subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person (s) authorised by the Board) for borrowing any sum or sums of monies from time to time for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institution or any other lending institution, firm, body corporate or other person, both in the national and international markets, as may be considered suitable by the Board notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the

Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, (that is to say reserves not set apart for specific purpose of the Company from time to time), provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 1000 Crore (Rupees One Thousand Crore only) over and above the paid-up capital of the Company and its free reserves at any time."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute or authorise any person to execute all such documents, instruments and writings as may be required for giving effect to the aforesaid resolution."

8. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

AUTHORITY TO CREATE MORTGAGE / CHARGE OVER PROPERTY OF THE COMPANY OF SECTION 180(1)(a) OF THE COMPANIES ACT, 2013

"**RESOLVED THAT** in supersession of resolution passed at the Annual General Meeting of the Company held on 29th July, 2011 on the matter and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and any Rules made thereunder subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include any committee constituted by the Board or any person (s) authorised by the Board, to create any kind of mortgage(s), hypothecation(s), pledge(s) and / or charge(s), in addition to the mortgage(s), hypothecation(s), pledge(s) and / or charge(s) already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertakings of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of Lenders such as State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank, Axis Bank, Yes Bank, Kotak Mahendra Bank, and such other Banks, Financial Institutions, Financial Corporations, etc. Agent(s) and Trustee(s), for securing the borrowing of the aggregate of the said sum of Rs. 1000/- Crore and the paid-up capital of the Company and its free reserves at any time availed or to be availed by the Company, by way of loans, debentures (comprising fully / partly Convertible Debentures and / or Non- Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(a) of the Companies Act, 2013 and any Rules made thereunder along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide all terms and conditions in relation to such creation of charge, at their absolute discretion and to do all such acts, deeds and things and to execute or to authorise any person to execute all such documents, instruments and writings as may be required for giving effect to the aforesaid resolution."

9. To consider and if thought fit to pass the following resolution, with or without modifications, as an **Ordinary Resolution**:-

AUTHORITY TO CONTRIBUTE TO CHARITABLE AND OTHER FUNDS UNDER SECTION 181 THE COMPANIES ACT, 2013

"**RESOLVED THAT**, in supersession of resolution passed at the Annual General Meeting of the Company held on 30th July, 2007 and subject to the provisions of Section 181 of the Companies Act, 2013 and any Rules made thereunder, for the time being in force, and other applicable provisions, if any, the consent of the Company be and is hereby given by the Company to the Board of Directors of the Company to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees from time to time in any financial year not exceeding 5% of the average net profits for the three immediately preceding financial years or ₹ 5 Crore whichever is higher."

"RESOLVED FURTHER THAT the Board or a duly constituted committee thereof be and is hereby authorized to decide and finalize the amount to contribute to charitable and other funds that may be given or made and to execute or to authorise any person to execute all such documents, instruments and writings as may be required for giving effect to the aforesaid resolution."

10. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

AUTHORITY TO GIVE LOAN & MAKE INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

"RESOLVED THAT, in supersession of resolution passed at the Annual General Meeting of the Company held on 30th July, 2012 and subject to the provisions of Section 186 of the Companies Act, 2013 and any Rules made thereunder, and subject to such approvals, consents, sanctions and permissions, as may be necessary, approval of the Company be and is hereby accorded to (a) give loan to any person or body corporate (b) give any guarantee or provide security in connection with a loan made by any body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate(s) exceeding (i) 60% of the aggregate of paid-up share capital, free reserves and securities premium account; or (ii) 100% of free reserves and securities premium account, whichever is more provided that the aggregate amount of such loan, guarantee, security or acquisition outstanding at any time shall not exceed ₹ 750 crore."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board") or a Committee appointed by it or any person authorised by the Board or such Committee shall be entitled to decide and finalize the terms and conditions (including the amount or limit in respect of each transaction) in connection with such loan, guarantee, security or acquisition within the limit approved as aforesaid."

"AND RESOLVED FURTHER THAT the Board, Committee or the person authorized as aforesaid shall be entitled to exercise all such powers and authorities and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary, relevant, usual, customary and/ or expedient for implementing and giving effect to the aforesaid resolution."

"RESOLVED FURTHER THAT so long as the aggregate outstanding amounts of the loan, guarantee, security or acquisition are at any time within the limit aforesaid, nothing herein contained shall be deemed to restrict the power of the Board to give fresh loans, guarantees or securities or to make fresh acquisitions without the need for any further prior approval for any fresh or additional loan, guarantee, security or acquisition or any variation, extension or renewal thereof or any alteration of any term or condition thereof."

11. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

REAPPOINTMENT OF MR. JAYANTI PATEL AS EXECUTIVE CHAIRMAN OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder, and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Jayanti Patel, Executive Chairman of the Company, for a period of five years from 1st April, 2014 to 31st March, 2019 on the terms and conditions as to remuneration as set out herein below.

1. BASIC SALARY: ₹ 5, 00,000/- Per Month

2. PERQUISITES:

- 1) In addition to Salary he shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :
 - (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
 - (c) Encashment of leave at the end of tenure.

- 2) In addition, the following perquisites shall be paid or made available to Mr. Jayanti Patel
- (a) Leave Travel Assistance to Mr. Jayanti Patel and his family once in a year as per the rules of the Company. Family means the spouse, the dependent children and dependent parents of Mr. Jayanti Patel.
 - (b) Medclaim and Personal Accident Insurance Policy as per the rules of the Company.
 - (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
 - (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.
 - (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
 - (f) One Month's privilege leave for every eleven months' service.
 - (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jayanti Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company.

4. Bonus :

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Jayanti Patel shall subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to International Marketing of the Company and is responsible for major Policy decision. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and performance based bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Jayanti Patel subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Jayanti Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provision read with Schedule V of the Companies Act, 2013, subject to approval of Central Government."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company.

12. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

RE - APPOINTMENT OF MR. ASHISH SOPARKAR AS MANAGING DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder, and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Ashish Soparkar as Managing Director of the Company, for a period of five years with effect from 1st April, 2014 to 31st March, 2019 on the terms and conditions as to remuneration as set out herein below: -

1. BASIC SALARY: ₹ 5, 00,000/- Per Month
2. PERQUISITES :
 - 1) In addition to Salary, Mr. Ashish Soparkar shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :
 - (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
 - (c) Encashment of leave at the end of tenure.
 - 2) In addition, the following perquisites shall be paid or made available to Mr. Ashish Soparkar :-
 - (a) Leave Travel Assistance to Mr. Ashish Soparkar and his family once in a year as per the rules of the Company.
Family means the spouse, the dependent children and dependent parents of Mr. Ashish Soparkar.
 - (b) Medi-claim and Personal Accident Insurance Policy as per the rules of the Company.
 - (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.

- (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.
- (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed to by the Company.
- (f) One Month's privilege leave for every eleven months' service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Ashish Soparkar.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement :-

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company.

4. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms :-

Mr. Ashish Soparkar subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Corporate Affairs and Finance Related matters and selected accounts of international customers. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Ashish Soparkar subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Ashish Soparkar shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment, consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provisions read with Schedule V of the Companies Act, 2013, subject to approval of Central Government."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company.

13. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

RE - APPOINTMENT OF MR. NATWARLAL PATEL AS MANAGING DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder, and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Natwarlal Patel as Managing Director of the Company, for a period of five years with effect from 1st April, 2014 to 31st March, 2019 on the terms and conditions as to remuneration as set out herein below: -

1. BASIC SALARY: ₹ 5, 00,000/- Per Month
2. PERQUISITES :
 - 1) In addition to Salary, Mr. Natwarlal Patel shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :
 - (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
 - (c) Encashment of leave at the end of tenure.
 - 2) In addition, the following perquisites shall be paid or made available to Mr. Natwarlal Patel :-
 - (a) Leave Travel Assistance to Mr. Natwarlal Patel and his family once in a year as per the rules of the Company.
Family means the spouse, the dependent children and dependent parents of Mr. Natwarlal Patel.
 - (b) Medi-claim and Personal Accident Insurance Policy as per the rules of the Company.
 - (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
 - (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.

- (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
- (f) One Month's privilege leave for every eleven months' service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Natwarlal Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement :-

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company.

4. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms :-

Mr. Natwarlal Patel oversees the technical matters of Agro Chemical Divisions as well as the international and domestic Marketing of the Agrochemical products. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Natwarlal Patel subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Natwarlal Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment, consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provisions read with Schedule V of the Companies Act, 2013, subject to approval of Central Government."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company.

14. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

RE-APPOINTMENT OF MR. RAMESH PATEL AS EXECUTIVE DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Ramesh Patel as Executive Director of the Company, for a period of five years with effect from 1st April, 2014 to 31st March, 2019 on the terms and conditions as to remuneration as set out herein below -

1. BASIC SALARY: ₹ 5, 00,000/- Per Month
2. PERQUISITES :
 - 1) In addition to Salary Mr. Ramesh Patel shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :
 - (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
 - (c) Encashment of leave at the end of tenure.
 - 2) In addition, the following perquisites shall be paid or made available to Mr. Ramesh Patel :-
 - (a) Leave Travel Assistance to Mr. Ramesh Patel and his family once in a year as per the rules of the Company. Family means the spouse, the dependent children and dependent parents of Mr. Ramesh Patel.
 - (b) Medici claim and Personal Accident Insurance Policy as per the rules of the Company.
 - (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
 - (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for his private purposes.
 - (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed by the Company.

- (f) One Month's privilege leave for every eleven months' service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Ramesh Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company.

4. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Ramesh Patel subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to overseeing Purchases made by the Company as well as liaising between the Company and Government authorities. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Ramesh Patel subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Ramesh Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provision read with Schedule V of the Companies Act, 2013, subject to approval of Central Government."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company."

15. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

RE-APPOINTMENT OF MR. ANAND PATEL AS EXECUTIVE DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Anand Patel as Executive Director of the Company, for a period of five years with effect from 1st April, 2014 to 31st March, 2019 on the terms and conditions as to remuneration as set out herein below -

1. BASIC SALARY: ₹ 5, 00,000/- Per Month
2. PERQUISITES :
 - 1) In addition to Salary Mr. Anand Patel shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :
 - (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
 - (c) Encashment of leave at the end of tenure.
 - 2) In addition, the following perquisites shall be paid or made available to Mr. Anand Patel :-
 - (a) Leave Travel Assistance to Mr. Anand Patel and his family once in a year as per the rules of the Company. Family means the spouse, the dependent children and dependent parents of Mr. Anand Patel.
 - (b) Mediclaim and Personal Accident Insurance Policy as per the rules of the Company.
 - (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
 - (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for his private purposes.
 - (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
 - (f) One Month's privilege leave for every eleven months' service.

- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Director and Mr. Anand Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company.

4. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Anand Patel is responsible for over all day to day management of Pigment Division situated at Vatva, Panoli and Dahej and is also looking after the domestic and international sales of Pigment division. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Anand Patel subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Anand Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."

"RESOLVED FURTHER THAT in case of inadequacy of Profit /Loss during the period of appointment consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provision read with Schedule V of the Companies Act, 2013, subject to approval of Central Government."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company."

16. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:-

AUTHORITY FOR RELATED PARTY TRANSACTIONS UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

"RESOLVED THAT pursuant to Section 188(1) of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to enter into the transactions with Related Party as set out in the explanatory statement annexed to the Notice convening this meeting.

17. To Consider and if thought fit to pass the following resolution with or without modification as **Special Resolution**:-

ALTERATION IN ARTICLES OF ASSOCIATION BY ADOPTING A NEW SET OF ARTICLES.

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulation contained in the Articles of Association submitted to this meeting be and hereby approved and adopted and substituted to the entire exclusion of the regulation contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all acts, deeds 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: 23.05.2014
CIN : L24110GJ1995PLC024052
helpdesk@meghmani.com

By Order of the Board

**K D MEHTA
COMPANY SECRETARY**

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

2. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 21st July, 2014 to Monday, 28th July, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2014.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
6. Final dividend of ₹ 0.10 per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 11th August, 2014.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.**
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
11. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.

12. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.meghmani.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ahmedabad for inspection during normal business hours on working days.
13. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: helpdesk@meghmani.com
14. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
15. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
16. **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.**
17. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company or Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.
18. 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, as per Section 125 of the Companies Act, 2013, transferred to the Investor Education and Protection Fund established by the Central Government.
19. **GREEN INITIATIVE :-**

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

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

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

We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, in the interest of the environment.
20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (4.00 pm to 6.00 pm) on all working days except Saturday, Sunday and Public holiday up to and including the date of the Annual General Meeting of the Company.

INSTRUCTION FOR e-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014, the Company is pleased to provide e – voting facility which will enable the members to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate e-voting.

The instructions for members for voting electronically are as under:-

I. In case of members receiving e-mail:

- 1) If you are holding shares in Demat form and had logged on to www.evotingindia.com and have casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- 2) Log on to the e-voting website www.evotingindia.com.
- 3) Click on “Shareholders” tab to cast your votes.
- 4) Now, select the Electronic Voting Sequence Number (“EVSN”) 140627013 along with “**Meghmani Organics Limited**” from the drop down menu and click on “**SUBMIT**”.
- 5) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID . Next enter e Image Verification as displayed and Click on Login	Folio Number registered with the Company. Next enter e Image Verification as displayed and Click on Login
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders holding shares in demat mode as well as shareholders holding shares in physical mode)	

ANY OF THE FOLLOWING TWO

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
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OR

Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
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*Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <MEGH12345A> in the PAN field.

In case either of the details are not recorded with the depository please enter <No. of shares held by you as on **Monday 30th June, 2014**> in the Dividend Bank details field.

- 6) After entering these details appropriately, click on “**SUBMIT**” tab.
- 7) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). 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 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. Kindly note that this changed password is to be also used by the Demat holders

for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

- 8) Click on the relevant EVSN on which you choose to vote.
- 9) 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.
- 10) Click on the "Resolutions File Link" if you wish to view all the Resolutions.
- 11) 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.
- 12) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

II. In case of members receiving the physical copy of Notice of Annual General meeting [for members whose e-mail IDs are not registered with the Company/Depository participant(s) or requesting physical copy]:

Please follow all steps from Sr. No. (2) to Sr. No. (12) above, to cast vote.

- III. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are requested to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- IV. E-voting period begins on **Monday, July 21, 2014 (9:00 am)** and ends on **Wednesday, July 23, 2014 (6:00 pm)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **Monday, June 30, 2014**.
- VI. Mr. Mukesh Khandwala, Chartered Accountant of M/s Khandwala & Khandwala, (Membership No. 32472, FRN 107647W), 2nd Floor, "HRISHIKESH", Vasantbaug Society, Opposite Water Tank, Gulbai Tekra, AHMEDABAD – 380006 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com.in under help section or write an email to helpdesk.evoting@cdslindia.com.

CONTACT DETAILS

COMPANY	MEGHMANI ORGANICS LIMITED "MEGHMANI HOUSE", SHREE NIVAS SOCIETY, VIKAS GRUH ROAD, PALDI, AHMEDABAD 380 007 E-MAIL :- helpdesk@meghmani.com
REGISTRAR AND TRANSFER AGENT	LINK INTIME INDIA PRIVATE LIMITED C-13, PANNALAL SILK MILLS COMPOUND LBS ROAD, BHANDUP (WEST), MUMBAI 400 078, INDIA. Tel: +91 22 2596 0320, Fax: +91 22 2596 0329 E-MAIL :- santosh.jaiswal@linkintime.co.in , bhaskaran@linkintime.co.in
E-VOTING AGENCY	CENTRAL DEPOSITORY SERVICES [INDIA] LIMITED E-MAIL :- helpdesk.evoting@cdslindia.com
SCRUTINIZER	MR. MUKESH KHANDWALA – CHARTERED ACCOUNTANT M/S KHANDWALA & KHANDWALA E-MAIL :- mukesh@khandwala.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 6**

Mr. Chander Kumar Sabharwal (DIN 00368621) aged 65 is BA Honors (Economics) and has studied Law & Management. He has worked as Senior Management Trainee (SMT Scheme) & Executive with DCM (Now Shriram Group) from 1970-74, Part of founding group of HCL in 1975 and Managing Agrochemical Public Ltd Company from 1974 onwards

Mr. Chander Sabharwal has held various positions as under:-

- Director on the Board of Oriental Bank of Commerce, New Delhi – 2005-2011
- Director on the Board of Crop Care Federation of India - 1985 – 2009
- Executive Member, All India Bio Technology Association of India (AIBA)
- Managing Director, Crop Health Products Ltd, New Delhi (1975 – date), Agrochemicals.
- Partner, R K Associates, (Dusseldorf – US – India), M&A Advisors

Mr. Chander Sabharwal is successfully managing family business Crop Health Products Ltd – involved from multi sites in manufacturing & marketing of Agrochemicals in Punjab, Haryana, UP, J&K, HP, Rajasthan, Gujrat, MP, and Chhattisgarh & Orissa. The Public Ltd Company is 47 years, the peak turnover of which reached US\$ 17 million. He is associated with many International Companies such as Bayer, BASF, Monsanto, IFFCO, etc.

Mr. Sabharwal's insights into Rural India, Customers, Markets & Mandis, Distribution, Brand building and Credit Management would be immense help to the Company.

Mr. Sabharwal was appointed as additional director on 02 August, 2013 and as per Section 161 of the Act he holds the office up to the date of forth coming Annual General Meeting.

As required under Section 160 of the Companies Act, 2013, the Company has received a Notice from the Members proposing name of Mr. Chander Sabharwal as candidates for the office of the Director.

Your Directors recommend the resolution for your approval.

Except Mr. Chander Sabharwal, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested or concerned, financially or otherwise, in the resolution.

ITEM NO. 7

The Company had passed the resolution on 29th July, 2011 under Section 293(1) (d) of the Companies Act, 1956 to authorize the Board of Directors to borrow up to ₹ 1000 Crores (excluding temporary loans obtained from the Company's bankers in the ordinary course of business for working capital).

Section 180 (1) (c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. Accordingly Section 293 (1) (d) under the Companies Act, 1956 has been now replaced by Section 180 (1)(c) and (2) of Companies Act, 2013.

The Banks and financial institutions require the authorization of borrowing by way of resolutions passed under the Companies Act, 2013. The Board of Directors therefore recommend to pass the resolutions under Section 180 (1)(c), Section 180 (2) and other applicable provisions of the Companies Act, 2013 without any change in borrowing powers of Rs. 1000 Crore (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) approved by the members under the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 8

The Company had passed the resolution on 29th July, 2011 under Section 293(1) (a) of the Companies Act, 1956 and had authorized the Board of Directors to mortgage and/ or charge all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking (s) of the Company up to ₹1000 Crores to secure borrowings of the Company in certain events of default.

Section 180 (1) (a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the consent of the Company be accorded by way of a special resolution for creating mortgages, charges, hypothecation and other encumbrances on all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking (s) of the Company. Accordingly Section 293 (1) (d) under the Companies Act, 1956 has been now replaced by Section 180 (1)(a) and (2) of Companies Act, 2013.

The Banks and financial institutions require that resolutions be passed authorizing Board under the Companies Act, 2013 to create charge and/ or mortgage on the property of the Company. The Board of Directors therefore recommend passing the resolutions under the Section 180 (1)(a) and (2) of Companies Act, 2013 without any change to mortgage and/or or charge up to ₹ 1000 Crore.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 9

The shareholders at Extra Ordinary General Meeting of the company held on 28th March, 1995, had authorized the Board of Directors to make the donations up to ₹ 50,00,000.

With the increase in business operation and profitability the said limits needs to be revised. The Board of Directors therefore recommends authorizing the making of donations not exceeding the limits prescribed under the Companies Act, 2013 from time to time or ₹ 5 Crore which ever is higher.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution

ITEM NO. 10

The Company had passed the resolution on 30th July, 2012 under Section 372A of the Companies Act, 1956 and had authorized the Board of Directors to advance loan/ give guarantee/Security/make investment up to 60% of the Paid-up share capital and free reserves of the Company or 100% of the free reserves of the Company which ever is more.

Section 372 (a) under the Companies Act, 1956 has been now replaced by Section 186 of Companies Act, 2013 effective from 1st April, 2014.

The proposed resolution is therefore placed for the purpose of fulfilling the conditions laid down in Section 186 of the Companies Act, 2013 and authorising to make loan and investments up to ₹ 750 Crore.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 11 to 15

The present term of the following directors have expired on 31st March, 2014. The Managerial remuneration Committee at its meeting held on 07th May, 2014 has resolved to re-appoint them from 01 April, 2014 for a period of five years as mentioned against their name in the table and approved terms of remuneration upto 31st March, 2019.

The Board at its meeting held on 23 May, 2014 has approved the re-appointment subject to approval of the members.

Name	Designation	Re-appointment Period up to	Director Identification No.	Basic Salary Per month ₹
Mr. Jayanti Patel	Executive Chairman	31.03.2019	00027224	500,000
Mr. Ashish Soparkar	Managing Director	31.03.2019	00027480	500,000
Mr. Natwarlal Patel	Managing Director	31.03.2019	00027540	500,000
Mr. Ramesh Patel	Executive Director	31.03.2019	00027637	500,000
Mr. Anand Patel	Executive Director	31.03.2019	00027836	500,000

(2) PERQUISITES :

In addition to Salary Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall be eligible for the following perquisites which shall not be included in the computation of the Ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :

- The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
- The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
- Encashment of leave at the end of tenure.

In addition, the following perquisites shall be paid to Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel:-

- Leave Travel Assistance: Once in a year with family as per the rules of the Company. Family means the spouse, the dependent children and dependent parents.
- Mediclaime and Personal Accident Insurance Policy as per the rules of the Company.
- Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
- The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.
- The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence at the entire cost of the Company. Personal long distance calls be billed by the Company.
- One Month's privilege leaves for every eleven-month's service.
- Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel .

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

(4) Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company

(5) Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013.

(6) Other Terms:

- (a) Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company.
- (b) They will not be paid any sitting fee for attending meetings of the Board or Committee thereof.
- (c) The Board of Directors shall increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in absolute discretion deem fit subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (d) in case of inadequacy of Profit or Loss during the period of appointment, the remuneration payable to Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall be as per limit prescribed in Schedule V of the Companies Act 2013.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel of the Company are concerned or interested in the proposed resolution

ITEM NO. 16

Pursuant to the first proviso of Section 188 (1) of the Companies Act, 2013, as our paid up capital is more than ₹ 1 Crore, no contract or arrangement can be entered in to with a related party for any item specified in sub section (1) except with the prior approval of the general meeting by special resolution. The Company had taken the Central Government approval under old companies Act, 1956. With the change in proviso under the New Companies Act, 2013, the approval is sought for the arrangement of Purchase and Sales of Pigment and Agrochemicals on order to order basis with related parties as per the details given in table placed herein below for a period of three years.

Name of the party	Nature of Interest/ Relationship	Nature of Transaction	Value of estimated transaction per annum
1) Meghmani Organics USA Inc. - Trading Company	Subsidiary	Sale of Pigments	₹ 50 Crore
2) Meghmani Europe BVBA - Trading Company	Subsidiary	Sale of Pigments / Agrochemicals	₹ 30 Crore
3) Meghmani Overseas FZE - Trading Company	Subsidiary	Sale of Pigments / Agrochemicals	₹ 5 Crore
4) P T Meghamni Indonesia - Trading Company	Subsidiary	Sale of Pigments / Agrochemicals	₹ 5 Crore
5) Meghmani Finechem Limited	Subsidiary	Purchase of Caustic/ Chlorine	₹ 30 Crore
6) Tapsheel Enterprises	Directors hold more than 2%	Sale of Pigments	₹ 2 Crore
7) Vidhi Global Chemicals Limited	Directors Relatives hold more than 2%	Sale of Pigments	₹ 2 Crore
8) Meghmani Unichem LLP	Directors Relatives hold more than 2%	Sale of Pigments	₹ 2 Crore
9) Meghmani Chemicals Limited - Trading Company	Directors hold more than 2%	Purchase and Sale of Pigments	₹ 2 Crore
10) Meghmani Industries Limited	Directors hold more than 2%	Purchase and Sale of Pigments	₹ 2 Crore
11) Meghmani Dyes and Intermediates Limited	Directors hold more than 2%	Purchase and Sale of Pigments	₹ 2 Crore
12) Meghmani Pigments	Directors hold more than 2%	Purchase and Sale of Pigments	₹ 15 Crore
13) Ashish Chemicals - including EOU Unit - II	Directors hold more than 2%	Purchase and Sale of Pigments	₹ 10 Crore
14) Matangi Industries	Directors hold more than 2%	Purchase of Pigments	₹ 2 Crore

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel of the Company are concerned or interested in the proposed resolution.

ITEM NO. 17

The Articles of Association ("AoA") of the Company as presently in force since the Company was incorporated in 1995 and amendment there to was carried out on 15th April, 2000 and 30th March, 2004. The existing AoA is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 13, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 sections for implementation. Subsequently, on March 26, 2014 notified those provisions which require sanction/confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction for Share Capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to the Investor Education and Protection Fund (Section 125). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act 2013 and several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in Special Resolution.

The Board commends the Special Resolution for approval by the shareholders.

Registered Office:

**184, PHASE II,
GIDC INDUSTRIAL ESTATE, VATVA,
AHMEDABAD 382 445**

Date: 23.05.2014

CIN : L24110GJ1995PLC024052

helpdesk@meghmani.com

By Order of the Board

**K D MEHTA
COMPANY SECRETARY**

'Annexure – A'

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolution at Item No. 11 to 15 of the Notice for the Annual General Meeting of Meghmani Organics Limited

General Information:

(1) Nature of Industry:

Manufacture of Pigment and its intermediates, Agrochemicals and its Intermediates, Formulation in Bulk and Small Packing.

(2) Date or expected date of commencement of commercial production:

Existing Company in operation since 4th January, 1995

(3) Manufacturing Facilities:-

AGROCHEMICALS :-

The Company has 4 (Four) Agrochemical manufacturing facilities at: -

1. Plot No. 402,403,404,452 & 455, Village Chharodi, Taluka Sanand - Ahmedabad,
2. Plot No. 5001, B, GIDC Ankleshwar
3. Plot No. 20, GIDC Panoli, Ankleshwar
4. Plot No. CH-1+2/A GIDC Industrial Estate, Dahej, Taluka:Vagra, : Bharuch.

PIGMENT :-

The Company has 3 (Three) Pigment products manufacturing facilities at:-

1. Plot No. 184 Phase II, GIDC Vatva, Ahmedabad
2. Plot no. 21, 21/1, GIDC Panoli, Panoli, Akleshwar, Bharuch.
3. Plot No. Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka :- Vagra, District : Bharuch,

(4) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(5) Financial performance based on given indicators:

(₹ in Crore)

Sl. No.	Particulars	2013-2014	2012-2013	2012-2011
1	Turnover	872.02	731.67	805.13
2	Profit/(Loss) before tax	14.56	8.80	30.47
3	Net Profit/(Loss) after tax	11.58	5.78	16.58
4	Paid-up share capital	25.43	25.43	25.43
5	Reserves & Surplus	514.14	508.95	501.67

(6) Export performance and net foreign exchange collaboration:-

(₹ in Crore)

Sl. No.	Particulars	2013-2014	2012-2013	2012-2011
1.	Export Performance	689.46	593.87	620.86
2.	Foreign Exchange Earnings	678.31	581.91	610.06

(7) **Foreign Investment or Collaboration if any:**

The Company has no Foreign collaboration or Investment.

II. Information about the appointee - Mr. Jayanti Patel:1) Background details: **Mr. Jayanti Patel**

Mr. Jayanti Patel is the Executive Chairman of the Company. He was one of the co-founders and partners of M/s. Gujarat Industries, which was subsequently converted into our Company in 1995. He holds a Bachelor of Chemical Engineering degree from Maharaja Sayajirao University, Baroda. He has more than 37 years experience in the dyes and pigments industry and more than 20 years of experience in the agrochemicals industry.

2) Past remuneration:-

(Amount in ₹ Lakh)

Particulars	2014-2013	2012-2013	2012-2011
Salary	48.00	48.00	72.00
Perquisites and allowances	0.18	0.02	0.11
Performance Linked incentive	0.00	0.00	57.65
Contribution to Provident and other funds	5.76	5.76	8.64
Total	53.94	53.78	138.4

3) Recognition or awards

Not applicable

4) Job profile

Mr. Jayanti Patel is responsible currently oversees the international marketing of our Company and is responsible for all the major policy decisions. Mr. Jayanti Patel is also looking after International Marketing of Pigment.

5) Remuneration proposed:

As stated in the Explanatory Statement at Item No. 11 to 15 of the Notice.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin):

The remuneration profile with respect to industry, size of the Company is conservative.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration and dividend payable Mr. Jayanti Patel has no pecuniary relationship with the Company. Mr. Jayanti Patel is related as brother to Mr. Natwarlal Patel and Mr. Ramesh Patel.

II. Information about the appointee - Mr. Ashish Soparkar:1) Background details: **Mr. Ashish Soparkar**

Mr. Ashish Soparkar, is the Managing Director of our Company since incorporation of our Company in 1995. He was one of the co-founders and partners of M/s Gujarat Industries, which was subsequently converted into our Company in 1995. He holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University of Baroda. Prior to joining our Company, since 1977, he was managing manufacturing and commercial activities of Ashish Chemicals. He has more than 37 years of experience in the dyes and pigments industry, and more than 20 years of experience in the agrochemicals industry.

2) **Past remuneration:**

(Amount in ₹ Lakh)

Particulars	2013-2014	2012-2013	2012-2011
Salary	48.00	48.00	72.00
Perquisites and allowances	0.21	0.06	0.11
Performance Linked incentive	0.00	0.00	57.65
Contribution to Provident and other funds	5.76	5.76	8.64
Total	53.97	53.82	138.4

3) Recognition or awards

Not applicable

4) Job profile:

Mr. Ashish Soparkar is responsible for corporate affairs and finance related matters and selected accounts of International Customers.

5) Remuneration proposed:

As stated in the Explanatory Statement at Item No. 11 to 15 of the Notice.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin):

The remuneration profile with respect to industry, size of the Company is conservative.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration and dividend payable Mr. Ashish Soparkar has pecuniary relationship with his daughter Ms. Deval Soparkar (Head Corporate Communication). Ms. Deval Soparkar is presently drawing the remuneration of ₹ 87,000 per month.

II. Information about the appointee - Mr. Natwarlal Patel:-

1) Background details: **Mr. Natwarlal Patel:-**

Mr. Natwarlal Patel was one of the co-founders and of M/s Gujarat Industries, which was subsequently converted into our Company in 1995. He holds a Masters of Science degree from Sardar Patel University, Gujarat.

He has more than 35 years of experience in the dyes and pigments industry and more than 20 years experience in the agrochemicals industry. He handles the technical matters of the agrochemical divisions, as well as the international and domestic marketing of the agrochemical products.

2) Past remuneration:-

(Amount in ₹ Lakh)

Particulars	2013-2014	2012-2013	2012-2011
Salary	48.00	48.00	72.00
Perquisites and allowances	0.21	0.06	0.11
Performance Linked incentive	0.00	0.00	57.65
Contribution to Provident and other funds	5.76	5.76	8.64
Total	53.97	53.82	138.4

- 3) Recognition or awards

Not applicable

- 4) Job profile:

Mr. Natwarlal Patel currently oversees the technical matters of the agrochemical divisions, as well as the international and domestic marketing of the agrochemical products.

- 5) Remuneration proposed:

As stated in the Explanatory Statement at Item No. 11 to 15 of the Notice.

- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin):

The remuneration profile with respect to industry and size of the Company is on lower side.

- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration payable Mr. Natwarlal Patel has pecuniary relationship with his son Mr. Ankit Patel Manager (International Marketing). Mr. Ankit Patel is presently drawing the remuneration of ₹ 54,000/- per month.

II. Information about the appointee - Mr. Ramesh Patel:-

- 1) Background details: **Mr. Ramesh Patel**

Mr. Ramesh Patel was one of the co-founders and partners of the M/s Gujarat Industries, which was subsequently converted into our Company in 1995. He holds a Bachelor of Arts degree from Saurashtra University. He has more than 28 years of experience in the pigments industry and more than 20 years of experience in the agrochemicals industry.

- 2) Past remuneration:-

(Amount in ₹ Lakh)

Particulars	2012-2013	2012-2011	2011-2010
Salary	48.00	48.00	63.36
Perquisites and allowances	0.18	0.02	0.10
Performance Linked incentive	0.00	0.00	23.06
Contribution to Provident and other funds	5.76	5.76	7.60
Total	53.94	53.78	94.12

- 3) Recognition or awards

Not applicable

- 4) Job profile:

Mr. Ramesh Patel is currently in charge of overseeing purchases made by our Company and responsible for all liaisons between the Company and government authorities.

- 5) Remuneration proposed:

As stated in the Explanatory Statement at Item No. 11 to 15 of the Notice.

- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin):

The remuneration profile with respect to industry, size of the Company is conservative.

- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration payable Mr. Ramesh Patel has pecuniary relationship with his son Mr. Karana Patel Manager (Operation) of our Company. Mr. Karana Patel is presently drawing the remuneration of ₹ 61,000/- per month.

II. Information about the appointee - Mr. Anand Patel:

1) Background details: **Mr. Anand Patel**

Mr. Anand Patel was one of the co-founders and partners of M/s Gujarat Industries, which was subsequently converted into our Company in 1995. He holds a Bachelor of Science degree from the Gujarat University. He has more than 28 years of experience in the pigments industry and has been our whole-time Director since the incorporation of our Company in 1995 and is currently designated as Executive Director.

2) Past remuneration:

(Amount in ₹ Lakh)

Particulars	2013-2014	2012-2013	2012-2011
Salary	48.00	48.00	63.36
Perquisites and allowances	0.18	0.02	0.10
Performance Linked incentive	0.00	0.00	23.06
Contribution to Provident and other funds	5.76	5.76	7.60
Total	53.94	53.78	94.12

3) Recognition or awards

Not applicable

4) Job profile:

Mr. Anand Patel is responsible for the over all day to day Management of Pigment Divisions situated at Vatva, Panoli and Dahej. Mr. Anand Patel is also looking after the Domestic and International sales of Pigment division.

5) Remuneration proposed:

As stated in the Explanatory Statement at Item No. 11 to 15 of the Notice.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin):

The remuneration profile with respect to industry, size of the Company is conservative.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration payable Mr. Anand Patel has pecuniary relationship with its managerial personnel. Mr. Darshan Patel Manager (Pigment Export) is presently drawing the remuneration of ₹ 41, 000/- per month.

III. Other information:

1. The Company has earned the Net Profit after tax of ₹ 11.56 Crores in the Financial year 2014 which shows increase of ₹ 5.08 Crore i.e. by 100.35% than FY 2013.

The reasons of inadequacy of profit are :-

1. **Volatility in Rupee Dollar Exchange rate:-**

The Company Exports 75% of its Products to across the globe in 52 countries. The Rupee/Dollar Exchange rate volatility during the year affected the profitability of the Company.

2. **Higher Interest cost:-**

The year under reference the Company used the higher working capital facilities for its operation. The Company has also borrowed the funds to set up its up coming Product expansion project at Dahej.. This resulted increase in Finance Cost of FY 2013-2014 by ₹ 8 Crore.

1) Steps taken or proposed to be taken for improvement in profitability:

a) **TO RELOCATE AGROCHEMICAL PLANT OF CHHARODI:-**

The Company has relocated its Agro chemical manufacturing facilities of Village Chharodi, Taluka Sanand, District:- Ahmedabad to Agro Division II and III situated at 5001/B, GIDC Ankleshwar and GIDC Dahej, Taluka Vagra:- District : Bharuch respectively.

b) **TO COMBAT ENVIRONMENT FRONT:-**

To be more environment friendly the Company has invested ₹ 117.32 Mn for the purpose

c) **AGROCHEMICALS - EXPANSION:- PANOLI**

The Company is making Formulations of Synthetic Pyrothorides and Technical products of Organo Phosphorous. The Company is expanding its capacities to add more products.

d) **AGROCHEMICALS - EXPANSION AT DAHEJ**

The Company has set up Agrochemical project at CH-1+2A, GIDC Dahej to manufacture 2, 4-D - a widely used herbicide, as well as Monochloroacetic acid (MCAA) – the intermediate for 2,4-D; and also having many other applications.

e) **PIGMENT – EXPANSION AT DAHEJ SEZ:-**

The Company has set up the pigment project at Plot No. Z 31 & Z 32 of Dahej SEZ Limited, Dahej, Bharuch to manufacture viz., CPC Blue (Crude), Beta Blue and Alpha Blue..

In view of the facts stated above, it is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that the productivity and profitability may improve and would be comparable with the industry average.

Registered Office:

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AHMEDABAD 382 445**

Date: 23.05.2014

L24110GJ1995PLC024052

helpdesk@meghmani.com

By Order of the Board

**K D MEHTA
COMPANY SECRETARY**

**STATEMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH REGARDING
TO THE DIRECTORS PROPOSED FOR APPOINTMENT – REAPPOINTMENT**

(1) Mr. Jayanti Patel :- DIN 00027224

Mr. Jayanti Meghji bhai Patel, 62 years, is the Executive Chairman of our Company. Mr. Jayanti M. Patel holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University, Baroda. He currently oversees the international marketing of our Company and is responsible for all major policy decisions. Mr. Jayanti M. Patel has more than 38 years experience in the dyes and Pigments industry and more than 20 years experience in the Agrochemicals industry.

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

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

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

Mr. Jayanti Patel is considered to be interested in the resolution.

(2) Mr. Ashish Soparkar:- DIN 00027480

Mr Ashish Natwarlal Soparkar, 61 years, is the Managing Director of our Company. Mr Ashish N. Soparkar holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University of Baroda. He currently oversees the corporate affairs and finance matters of our Company and also supervise selected international market accounts. Mr Ashish N Soparkar, has more than 38 years experience in the dyes and Pigments industry, and more than 20 years experience in the Agrochemicals industry.

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

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

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

(3) Mr. Natwarlal Patel :- DIN 00027540

Mr. Natwarlal Meghji bhai Patel, aged 61 years, is the Managing Director of the Company. Mr. Natwarlal Patel holds a Masters of Science degree from Sardar Patel University, Gujarat. He currently oversees the technical matters of the Agrochemicals divisions as well as the international and domestic marketing of our Agrochemical products. Mr. Natwarlal Patel, has more than 35 years experience in the Dyes and Pigments industry, and more than 20 years experience in the Agrochemicals industry.

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

Name of the firm/concern	Position Held
1) Meghmani Industries Limited	Director
2) Meghmani Chemicals Limited	Director
3) Meghmani Dyes & Intermediates Limited	Director
4) Fidelity Exports (Pvt) Limited	Director
5) Meghmani Energy Limited	Director
6) Meghmani Finechem Limited	Director
7) John Energy Limited	Director
8) Gujarat State Export Corporation Limited	Director
9) Meghmani Chemtech Limited	Director
10) Meghmani Overseas FZE – Sharjah	Director
11) Tapsheel Enterprises	Partner
12) Navratan Specialty Chemicals LLP	Director
13) Uniworth Enterprises LLP	Partner

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

Mr. Natwarlal Patel is considered to be interested in the resolution.

(4) Mr. Ramesh Patel :- DIN 00027637

Mr. Ramesh Meghji bhai Patel, aged 58 years, is the Executive Director of the Company. Mr. Ramesh Patel holds a Bachelors of Arts degree from Saurashtra University. Mr. Ramesh Patel has 31 years experience in the Pigments Industry and 20 years of experience in the Agrochemicals Industry.

Mr. Ramesh Patel is currently in charge of overseeing purchases made by our Company (including domestic purchases and global imports) and is responsible for all liaisons between our Company and government authorities or other regulatory bodies

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

Name of the firm/concern	Position Held
1) Meghmani Industries Limited	Director
2) Meghmani Dyes & Intermediates Limited	Director
3) Fidelity Exports (Pvt) Limited	Director
4) Karnavati Club Limited	Director
5) Vanguard Overseas Limited	Director
6) Meghmani Energy Limited	Director
7) Meghmani Finechem Limited	Director
8) Meghmani Chemtech Limited	Director
9) Meghmani Chemicals	Director
10) Uniworth Enterprises LLP	Director

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

Mr. Ramesh Patel is considered to be interested in the resolution.

(5) Mr. Anand Patel :- DIN 00027836

Mr. Anand Ishwarbhai Patel, aged 52 years, is the Executive Director of the Company. Mr. Anand Patel holds a Bachelor of Science degree from the Gujarat University. Mr. Anand Patel has 28 years experience in the Pigments Industry. Mr. Anand Patel currently oversees the manufacturing of Pigments at Vatva, Panoli and Dahej-SEZ as well as the International & Domestic marketing of Pigments.

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

Name of the firm/concern	Position Held
1) Meghmani Finechem Limited	Director
2) Meghmani Energy Limited	Director
3) Meghmani Chemtech Limited	Director
4) Vanguard Overseas Limited	Director
5) Meghmani Europe BVBA	Director
6) Meghmani Dyes & Intermediates Limited	Director
7) Fidelity Exports (Pvt) Limited	Director
8) Patel Investment and Infrastructure Company	Partner
9) Tapsheel Enterprises	Partner
10) Matangi Industries	Partner
11) Meghmani Chemicals	Partner
12) Uniworth Enterprises LLP	Partner

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

(6) Mr. Chinubhai Shah :- DIN 00558310

Mr. Chinubhai Shah, 76 Years, was appointed as a Director of our Company on April 13, 2000 and has been on our Board since then. He holds a Masters degree in Arts and a Masters degree in Law. He also has a Diploma in Labor Practice and Diploma in Taxation practice, both from Gujarat University. He is a fellow member of the Institute of Company Secretaries of India and fellow membership for life was also conferred on him by All India Management Association, New Delhi.

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

He has had more than 44 years experience in the areas of management, finance and accounting. Mr. Chinubhai Shah headed Torrent Pharmaceuticals and Torrent Exports Limited as Executive Director from 1991 to 1998. From 1998 to 2000 he was the Managing Director of Ahmedabad Electricity Co. Limited (presently Torrent Power Limited).

Mr. Chinubhai Shah is a member of Audit Committee and Chairman of Remuneration Committee, Nominating Committee and Shareholders / Investors Grievances and Share Transfer Committee of the Company and is a director on the Board of the following other companies:-

Name of the Company	Director	Member of Committee	Chairman of Committee
1) Apollo Hospitals International Ltd	Director	--	--
2) Arman Lease & Finance Limited	Chairman	Audit	Shareholders'
3) Cadila Pharmaceuticals Limited	Director	--	Audit
4) G.S.E.C Limited	Director	Audit	--
5) Gulmahor Greens-Golf & Country Club Limited	Director	--	--
6) India Renal Foundation	Chairman	--	--
7) Nirma Limited	Director	--	
8) Saline Area Vitalisation Enterprise Limited	Chairman	--	--
9) Shilp Gravers Limited	Director	--	Audit
10) Meghmani Finechem Limited	Director	--	--

(7) Mr. Balkrishna Thakkar :- DIN 004130220

Mr. Balkrishna Thakkar, 68 years, was appointed as a Director of our Company on April 13, 2000. He holds a Bachelor of Commerce degree from Gujarat University and is also a fellow member of the Institute of Chartered Accountants of India. Since 1974, after qualifying as Chartered Accountant, he started his own practice. He is currently practicing as a Chartered Accountant in the name and style of Balkrishna Thakkar & Co., a sole proprietorship that he founded in 1975, and his primary practice areas are audit and taxation. He is a director in Meghmani Finechem Limited.

Mr. Balkrishna Thakkar is the Chairman of Audit Committee and member of Remuneration Committee, Nomination and Shareholders / Investors Grievances and Share Transfer Committee of the Company.

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Date: 23.05.2014

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By Order of the Board

**K D MEHTA
COMPANY SECRETARY**

SECRETARIAL AUDIT REPORT

To,
**The Board of Directors,
Meghmani Organics Limited,
“Meghmani House”, Shreenivas Society,
Paldi, Ahmedabad 380 007**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to the good corporate practices by Meghmani Organics Limited (“the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 its officers, agents and authorized representatives during the conduct of audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2014 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2014 according to the provisions of:

1. The Companies Act, 1956 and the Rules made under that Act and 98 sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013
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;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.

2. The Equity Listing Agreements entered into by the Company with National Stock Exchange, Bombay Stock Exchange and Singapore Stock Exchange and also Debt Listing Agreements entered into by the Company with Bombay Stock Exchange.
3. The Memorandum and Articles of Association.

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

I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and sections of Companies Act, 2013 so far they are notified ("the Act") and the Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members / Debenture holders;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- (d) service of documents by the Company on its Members, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 19th Annual General Meeting held on July 30, 2013;
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- (l) appointment and remuneration of Auditors and Cost Auditors;
- (m) transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
- (n) payment of interest on debentures and redemption of debentures;
- (o) declaration and payment of dividends;
- (p) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- (q) borrowings and registration, modification and satisfaction of charges wherever applicable;
- (r) investment of the Company's funds including inter-corporate loans and investments and loans to others;
- (s) giving guarantees in connection with loans taken by subsidiaries;
- (t) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- (u) Directors' report;
- (v) contracts, common seal, registered office and publication of name of the Company;

I further report that;

1. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable to ODI, FDI and ECB.
2. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct.
3. Ethics for Directors and Management Personnel.
4. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
5. 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.
6. 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.
7. Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

Place: Ahmedabad
Date: 20th May, 2014

For, K J SHAH & COMPANY
Company Secretary
Sd/-
(K J SHAH)
FCS No. 2420
C P No.: 1414

MEGHMANI ORGANICS LIMITED

Regd. Office: Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. CIN No. L24110GJ1995PLC024052

PROXY FORM

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

I / Weofbeing a Member / Members of Meghmani Organics Limited holding shares in Folio No. / Demat A/c No. hereby appoint:.....of.....or failing him / herof or failing him / herofas my / our Proxy to attend and vote for me / us and on/our behalf at Twentieth Annual General Meeting of the said Company to be held on **Monday, 28th July, 2014 at 10.00 a.m.** at H T Parekh Convention Centre, Torrent AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolution as are indicated below

.....Tear Here.....

Resolution No.	Particulars of Resolution	Option	
		For	Against
	Ordinary Business		
1	Adoption of financial Statement for the year ended on 31st March, 2014		
2	Declaration of dividend		
3	Re-appointment of Mr. Chinubhai R Shah, Director retiring by rotation		
4	Re-appointment of Mr. B T Thakkar, Director retiring by rotation		
5	Appointment of Statutory auditors and Joint Auditors		
	Special Business		
6	Appointment of Mr. Chander Kumar Sabharwal as an Independent Director		
7	To authorize to borrow under Section 180 (1)(c) of the Companies Act, 2013		
8	To authorize to create mortgage/charge under Section 180 (1)(a) of the Companies Act, 2013		
9	To authorize to contribute to Charitable and other Funds under Section 181 of the Companies Act, 2013		
10	To authorize to give loan and make investment under Section 186 of the Companies Act, 2013		
11	Re-appointment of Mr. Jayantilal Patel as Executive Chairman of the Company		
12	Re-appointment of Mr. Ashish Soparkar as Managing Director of the Company		
13	Re-appointment of Mr. Natwarlal Patel as Managing Director of the Company		
14	Re-appointment of Mr. Ramesh Patel as Executive Director of the Company		
15	Re-appointment of Mr. Anand Patel as Executive Director of the Company		
16	Authority to enter into transaction with related parties under Section 188 (1) of the Companies Act, 2013		
17	Alteration in Articles of Association by adopting a new set of Articles		

Signed thisday of July, 2014

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

Affix
Revenue
Stamp

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

(ii) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

MEGHMANI ORGANICS LIMITED

Regd. Office: Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. **CIN No.** L24110GJ1995PLC024052

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at Twentieth Annual General Meeting of Meghmani Organics Limited held on **Monday, 28th July, 2014 at 10.00 a.m.** at H T Parekh Convention Centre, Torrent AMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

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

Full Name of Shareholder (In block Letters)

Signature

Full Name of Proxy (In block Letters)

Signature

.....



MEGHMANI ORGANICS LIMITED

World Headquarters : 'Meghmani House'

Shree Nivas Society, Paldi, Ahmedabad - 380007. Gujarat (INDIA)

Tel : +91 79 26640668 / 9, **Fax :** +91 79 26640670

E-mail : helpdesk@meghmani.com **website :** www.meghmani.com

CIN No. : L24110GJ1995PLC024052