

Chemistry of success at work

ANNUAL REPORT

2014-2015



 **MFL**
MEGHMANI
FINECHEM LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Jayanti M Patel
 Ashish N Soparkar
 Natwarlal M Patel
 Ramesh M Patel
 Anand I Patel
 Chinubhai R Shah
 Balkrishna T Thakkar
 Dr. Arvind K Patel
 Nirali B Parikh (Appointed on 30.03.2015)

REGISTERED OFFICE

Plot No.CH1/CH2,
 GIDC Industrial Estate, Dahej
 Tal. Vagara, Dist. Bharuch 392 130
 Gujarat, India.
helpdesk@meghmani.com

**PLANT LOCATION
CHLOR-ALKALI COMPLEX**

Plot No.CH1/CH2,
 GIDC Industrial Estate,
 Dahej Tal. Vagra, Dist. Bharuch 392 130.
 Gujarat, India.
helpdesk@meghmani.com

PRINCIPAL BANKERS

- (1) ICICI Bank Limited**
 JMC House, Opp. Parimal Garden,
 Ambawadi, Ahmedabad 380 009
- (2) International Finance Corporation**
 2121 Pennsylvania Avenue,
 N.W. Washington D.C. 20433
 United State of America
- (3) Standard Chartered Bank**
 Ground Floor, Abhijeet II,
 Mithakhali Six Roads,
 Ahmedabad – 380 006

AUDITORS

M/s Khandwala & Khandwala,
 Chartered Accountants,
 Hrishikesh, 2nd Floor, Vasantbaug Society,
 Opp. Water Tank, Gulbai Tekra,
 Navarangpura, Ahmedabad-380015.

DIRECTORS' REPORT

To,
The Members,
Meghmani Finechem Limited

Your Directors have pleasure in presenting Eighth Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended on **31st March, 2015**.

FINANCIAL RESULTS

(₹ in Crore)

PARTICULARS	YEAR ENDED ON 31 st MARCH, 2015	YEAR ENDED ON 31 st MARCH, 2014
Net Revenue from operations	351.79	282.77
Other Income	2.51	3.26
Total Revenue	354.31	286.03
Profit before Finance Expenses & Depreciation	111.58	121.15
Finance Expenses	(26.85)	(27.52)
Depreciation	(42.30)	(49.39)
Profit Before Tax	42.43	44.24
Payment & Provision of Current Tax	(9.00)	(8.90)
Deferred Tax (Expenses)/Income	(7.75)	(14.68)
MAT Credit Entitlement	9.00	8.90
Profit After Tax	34.68	29.56
Profit/Loss of Previous Year	3.38	(26.18)
Interim Dividend	25.47	-
Dividend Tax	4.33	-
Balance Carried forward	8.26	3.38

INTERIM DIVIDEND:-

During the year, the Board of Directors declared and paid Interim Dividend on 29 September, 2014 @ **36% (₹ 3.60 per share)** on **70759999** Equity Shares of ₹ 10/- each fully paid up for the Financial year 2014-2015. The Interim Dividend entailed an out flow of ₹ **25.47 Crore** (excluding Dividend Distribution Tax). The Interim Dividend was tax free in the hands of shareholders.

Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No Final dividend has therefore been recommended for the year ended March 31, 2015. The Interim dividend be considered as Final Dividend.

SHARE CAPITAL:-

The paid up Equity Share Capital as on March 31, 2015 was ₹ 70.76 Crore. During the year under review, the Company has not issued Equity Shares with differential voting rights nor granted Employee Stock Options or Sweat Equity shares.

OPERATING RESULTS:-**1) SALES :-**

The Sales Turnover of the Company has increased by ₹ 69.02 Crore (by 24.41%) i.e. from ₹ 282.77 Crore in FY 2014 to ₹ 351.79 Crore in FY 2015.

2) OTHER INCOME :-

Other Income decreased by ₹ 0.74 Crore. (22.76%) This is due to reduction in receipt of interest received on Inter Corporate Deposits.

3) PROFITABILITY :-

During the year under review despite the following favourable factors :-

- (1) Sales increased by ₹ 69.02 Crore
- (2) Production capacity increased from 340 TPD to 475 TPD
- (3) Production increased from 101354 MT to 143074 MT
- (4) Finance Cost decreased by ₹ 0.67 Crore
- (5) Power Generation cost reduced
- (6) Depreciation of the Company reduced by ₹ 7.08 Crore

the profitability of the Company has not been increased due to following unfavourable factors:-

1. Electricity Duty expenses increased by ₹ 12.98 Crore. This is due to Electricity Duty exemption period being over.
2. Consumption of Stores and Spares increased by ₹ 2.54 Crore.
3. Selling and Distribution expenses increased by ₹ 2.34 Crore.
4. Administrative Expenses increased by ₹ 0.17 Crore
5. Increase in Other expenses:- Consumption of Packing Material, Repairs to Machinery, Water Charges, Labour Contract Charges and Commission on Sales.

The above factors were further offset by decrease in Electronic Chemical Unit (ECU) from ₹29,075 in the beginning of the year to ₹ 25,780 to end of the year.

Your Directors expect that, if the price of Caustic Chlorine and the capacity utilization is maintained, the Company will be in a position to generate more revenue and profit in the next year of operation.

PRODUCTION REVIEW:-

During the period, the Company operated the plant at 92.84% capacity utilization. As a result, the Company could run the flaking unit at the desired capacity level to maintain the profitability, despite pressure on pricing during the year.

PROJECT :-

After increasing the manufacturing capacity of Caustic Chlorine from 340 TPD to 476 TPD and Captive power plant capacity from 40 MW to 60 MW, the Company is setting up Caustic Potash Plant (KOH) of 60 MIPD at CH1 & CH2, GIDC Dahej, Taluka Vagra, Bharuch. The Company has decided to use the latest 4th Generation Membrane Cell Technology in the world from Asahi Kasei Chemicals Corporation (AKCC) Japan. KOH is used in Soap, Detergent, Fertilizer and Chemical Industries. The cost of the Project is firmed up at ₹ 65 Crores. The Project will be funded from internal accruals. The Company expects to commence commercial production by December, 2015. On full year of operation, turnover of the Company will be increased by ₹120/- Crores.

INSURANCE:-

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

CREDIT RATING:-

CARE has revised its rating outlook on the Long-Term Bank facilities to CARE BBB+[Triple B Plus] and has reaffirmed Short-Term Bank facilities at 'CARE A3 (A Three)'.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under "Corporate Social Responsibility (CSR), the Company has formed a CSR Committee and undertaken projects in the areas of Education, Livelihood and, Health more specifically named as :-

1	Agaria Kalyan Yojana	Dahej Salt Works
2	Blood Donation Camp	Dahej
3	Kanya Kelwani Nidhi	Dahej
4	Vanvasi Kalyan Yojana	Dediapada

These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

During the year, the Company could not spend the entitlement of ₹ 56 lacs as the amount available is not sufficient to undertake the project planned by the Company.

FIXED DEPOSITS:-

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

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

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

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP):-

At the last Annual General Meeting held on June 28, 2014, the Members:-

- (1) Mr. Jayanti Patel and Mr. Anand Patel were appointed as Non Executive – Non-Independent Directors whose terms of office are liable to retire by rotation.
- (2) Dr. A. K. Patel was appointed as Non Executive - Independent Director for a period of five years with effect from 01/04/2014;

Mr. Ashish Soparkar – Non Executive Director and Mr. Chinubhai Shah, as Non Executive - Independent Director of the Company are retiring by rotation at this Annual General Meeting and being eligible have offered themselves for re-appointment in accordance with Section 149 (10) of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

APPOINTMENT OF WOMAN DIRECTOR – MS. NIRALI PARIKH:-

To comply with the requirements of Section 149(1) of the Companies Act, 2013, Ms. Nirali Parikh was appointed as an Additional Non Executive Independent Woman Director on the board of the Company with effect from 30th March, 2015 by passing Circular Resolution. The said resolution was confirmed at the Board Meeting held on 11th May, 2015. The appointment of Ms. Nirali Parikh as an Independent Woman Director for a period of 5 (five) years, will be regularized at the ensuing Annual General Meeting of the Company.

The details of Directors seeking appointment and 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.

BOARD EVALUATION:-

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY:-

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

At the time of appointment or re-appointment of the Executive Directors (i.e. Executive Chairman/MD/Whole-time Director) they shall be paid such remuneration as may be mutually agreed between the Company and the appointee Executive Directors within the overall limits prescribed under the Companies Act, 2013.

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the Nomination and Remuneration Committee shall ensure / consider the following:

- The remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

ALL THE DIRECTORS ON THE BOARD ARE NON EXECUTIVE DIRECTORS AND NOT RECEIVING REMUNERATIONS. INDEPENDENT DIRECTORS ARE RECEIVING ONLY SITTING FEES.

DIRECTORS' RESPONSIBILITY STATEMENT:-

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2015 and of the profit of the Company for the period ended on 31st March, 2015.

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL RETURN:-

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure B**”.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

The Company has a WHISTLE BLOWER POLICY to deal with instance of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct, if any. The details of the WHISTLE BLOWER POLICY is explained in the Corporate Governance Report and also posted on the website of the Company.

AUDITORS:-

(A) STATUTORY 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 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit & Auditors) Rules, 2014 and that they are not disqualified for reappointment.

(B) SECRETARIAL AUDITOR:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Shah & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial year 2014-15 is appended to this report.

(C) COST-AUDITOR:-

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records maintained by the Company is required to be audited by a qualified Cost Accountant.

Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Koushalya V Melwani Cost Accountants (Registration number 100497) for the financial year 2015-16 on a remuneration of ₹ 1,00,000/- per annum. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification.

Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Koushalya V Melwani, Cost Accountants is included at Item No. 7 of the notice convening the Annual General Meeting.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:-

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

RELATED PARTY TRANSACTIONS (RPT):-

All related party transactions were entered into during the financial year was on an Arm's Length Basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee & also the Board for approval. The Company had also taken members' approval at its Annual General Meeting held on 28th June, 2014 for entering into the transactions with Related Parties for the period of 3 (Three) years i.e. from 01/04/2014 to 31/03/2017.

NUMBER OF BOARD MEETINGS DURING THE FY 2014-15:-

The Board of Directors duly met 5 (Five) times respectively on 07/05/2014, 25/07/2014, 24/09/2014, 20/10/2014 and 03/02/2015 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.

ACKNOWLEDGMENT:-

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them.

The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year.

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

For and on behalf of the Board

(Jayanti Patel)

Director

(DIN – 00027224)

Date : 12th May, 2015

Place : Ahmedabad

ANNEXURE- A

Conservation of Energy:

A	Energy conservation measures taken	(a) Adoption of new technology provided by AKCC wherein power consumption is lowest. (b) Utilization of Hydrogen as fuel for Flaking Unit instead of Natural Gas.
B	Additional investments and proposals if any being implemented for reduction of consumption of energy	We have installed VAM machine in place of reciprocating Chilled Water Compressors with the investment of ₹ 75 Lacs which result reduction in energy consumption.
C	Impact of the measures at (a) & (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods.	(I) Saving energy of 5000 unit per day. (ii) As a result of above, Company is saving ₹ 22000/- per day on account of reduction in cost of production
D	Total energy consumption and energy consumption per unit of production	389805273 Unit 2723 Unit / MT

FORM-A
Form for disclosure of particulars with respect to Conservation of Energy
1st April, 2014 to 31st March, 2015

Particulars		2014-2015	2013-2014
A. Power Consumption			
1 Electricity Consumption			
(a) Purchased			
Unit	KWH	20748	1068
Total Amount	₹	7.69 Lacs	6.18 Lacs
Rate/Unit	₹	37.08/unit	578.65/unit
(b) Own Generation			
Through Diesel Generator			
Unit	KWH	102565	321363
Unit per Liter of Diesel	KWH/Ltr	3.32	3.47
Cost/Unit	₹	17.95/unit	16.50/unit
(c) Through Coal			
Unit-	KWH	438774695	311617817
Unit per of coal	KWH/ Kg of Coal	1.37	1.31
Cost/Unit	₹	3.23/unit	3.47/unit
2 Coal			
Steam Generated	MT	1920063	1421485
Consumption of Coal	MT	318882	237925
Cost of steam per unit (kg)	₹	0.74/unit	0.76/unit
Steam Purchase		-	-
3 Others/internal generations			
		-	-
B Consumption per unit of			
Production in MT		143074	101552
Electricity (₹/ Mt)		14705	15220

**FORM-B
TECHNOLOGY ABSORPTION**

Form for disclosure of particulars with respect to Technology Absorption

A. Research & Development

- | | | |
|---|--|-----|
| 1 | Specific areas in which R & D is carried out by the Company. | N.A |
| 2 | Benefits derived as a result of the above R & D. | N.A |
| 3 | Future Plan of Action | N.A |
| 4 | Expenditure on R & D | N.A |

B. Technology Absorption, Adoption and Innovation:

- | | | |
|---|---|--|
| A | Efforts, in brief, made towards technology absorption, adoption and innovation. | : We have absorbed technologies for manufacturing 476 TPD of Caustic Chlorine from AKCC Japan. |
| B | Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc. | : Product Development
- |
| C | Imported technology (imported during the last 5 years reckoned from the beginning of the financial year). | : Caustic Chlorine from AKCC Japan and Caustic Soda Flakes from Bertram Switzerland. |

Foreign Exchange Earnings and Outgo:

The particulars with regards to foreign exchange earnings is ₹ 40,869,764/- and outgo ₹ 492,523,651/- as on 31st March 2015.

Date : 12th May, 2015
Place : Ahmedabad

For and on behalf of the Board
(Jayanti Patel)
Director
(DIN – 00027224)

ANNEXURE- B

EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31.03.2015)
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. Registration and other details					
CIN	U24100GJ2007PLC051717				
Registration Date	11th September, 2007				
Name of the Company	Meghmani Finechem Limited				
Category/Sub-category of the Company	Company having Share Capital				
Address of the Registered Office and contact details	CH/1, CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Bharuch Gujarat Ph- 91-79-25831210				
Whether Listed Company	No				
Name, address and contact details of the Registrar and Transfer Agent, if any	Not Applicable				
II. Principal Business Activities of the Company					
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated.					
Name & Description of main Products/Services	NIC Code of the Product/ Service	% of total turnover of the Company			
Caustic	2411	94.42			
Chlorine	-	-			
Others	-	5.58			
III. Particulars of Holding, Subsidiary & Associate Companies					
Sr. No	Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Meghmani Organics Limited	L24110GJ1995PLC024052	Holding	57.16	2(46)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)										
CATEGORY OF SHARE HOLDER		No. of Shares at the beginning of the year			No. of Shares at the end of the year			% of Change during the year		
CATE GORY CODE	CATEGORY OF SHARE HOLDER	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	% of Change during the year
(A)	SHAREHOLDING OF PROMOTER & PROMOTER GROUP (2)									
1	INDIAN									
(a)	INDIVIDUAL	-	4,170,873	4,170,873	5.89%	-	4,170,873	4,170,873	5.89%	0.00%
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(c)	BODIES CORPORATE	-	40,446,820	40,446,820	57.16%	-	40,446,820	40,446,820	57.16%	0.00%
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER (SPECIFY DIRECTORS RELATIVES)	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (A) 1	-	53,093,949	53,093,949	75.03%	-	53,093,949	53,093,949	75.03%	0.00%
2	FOREIGN									
(a)	INDIVIDUAL	-	-	-	-	-	-	-	-	-
(b)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(c)	INSTITUTIONS	-	-	-	-	-	-	-	-	-
(d)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (A) 2	-	-	-	-	-	-	-	-	-
(A)	TOTAL HOLDING FOR PROMOTERS : (A) 1 + (A) 2	-	53,093,949	53,093,949	75.03%	-	53,093,949	53,093,949	75.03%	0.00%

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)									
CATEGORY OF SHARE HOLDER		No. of Shares at the beginning of the year			No. of Shares at the end of the year			% of Change during the year	
CATEGORY CODE	CATEGORY OF SHARE HOLDER	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES
(B) 1	PUBLIC SHAREHOLDING (3)	-	-	-	-	-	-	-	-
(a)	INSTITUTIONS	-	-	-	-	-	-	-	-
(b)	MUTUAL FUNDS / UTI	-	-	-	-	-	-	-	-
(c)	FINANCIAL INSTITUTIONS / BANKS	-	17666050	17666050	24.97%	-	17666050	17666050	24.97%
(d)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-
(e)	VENTURE CAPITAL FUNDS	-	-	-	-	-	-	-	-
(f)	INSURANCE COMPANIES	-	-	-	-	-	-	-	-
(g)	FOREIGN INSTITUTIONAL INVESTORS	-	-	-	-	-	-	-	-
(h)	FOREIGN VENTURE CAPITAL QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-
(i)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-
	SUB TOTAL : (B) 1	-	17666050	17666050	24.97%	-	17666050	17666050	24.97%
2	NON-INSTITUTIONS	-	-	-	-	-	-	-	-
(a)	BODIES CORPORATE	-	-	-	-	-	-	-	-
(b)	INDIVIDUAL (CAPITAL <= ₹ 1 LAKH)	-	-	-	-	-	-	-	-
(b)	INDIVIDUAL (CAPITAL > ₹ 1 LA)	-	-	-	-	-	-	-	-
(d)	CLEARING MEMBER	-	-	-	-	-	-	-	-
(e)	NON RESIDENT INDIANS (REPAT)	-	-	-	-	-	-	-	-
(f)	NON RESIDENT INDIANS (NON REPAT)	-	-	-	-	-	-	-	-
(g)	FOREIGN COMPANIES	-	-	-	-	-	-	-	-
(h)	OVERSEAS BODIES CORPORATES	-	-	-	-	-	-	-	-
(i)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-
(j)	TRUSTS	-	-	-	-	-	-	-	-
(k)	ANY OTHERS	-	-	-	-	-	-	-	-
	SUB TOTAL : (B) 2	-	-	-	-	-	-	-	-

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)										
CATE GORY CODE	CATEGORY OF SHARE HOLDER	No. of Shares at the beginning of the year			No. of Shares at the end of the year			% of Change during the year		
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(B)	TOTAL HOLDING FOR PUBLIC : (B) 1 + B(2)	-	17,666,050	17,666,050	24.97%		17,666,050	17,666,050	24.97%	0.00%
	TOTAL (A)+(B)	-	70,759,999	70,759,999	100.00%		17,666,050	70,759,999	100.00%	0.00%
(C)	SHARES HELD BY CUSTODIANS AND AGAINST WHICH SINGAPORE DEPOSITORY RECEIPTS HAVE BEEN ISSUED	-	-	-	-		-	-	-	-
1	PROMOTER AND PROMOTER GROUP	-	-	-	-		-	-	-	-
2	PUBLIC	-	-	-	-		-	-	-	-
(C)	SUB TOTAL : (C)	-	-	-	-		-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	70,759,999	70,759,999	100.00%		70,759,999	70,759,999	100.00%	

I) Shareholdings of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in during the year
	No. of shares of the Company	% of total shares	% of total pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of total pledged/encumbered to total shares	
Jayatibhai M. Patel	632414	0.89	-	632414	0.89	-	0.00
Ashish Soparkar	948563	1.34	-	948563	1.34	-	0.00
Natwarlal M. Patel	977304	1.38	-	977304	1.38	-	0.00
Rameshbhai M. Patel	632414	0.89	-	632414	0.89	-	0.00
Anandbhai I. Patel	980178	1.39	-	980178	1.39	-	0.00

(iii) Change in Promoter's Shareholding

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

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
International Finance Corporation	17666050	25	17666050	25
Meghmani Organic Limited	40446820	57	40446820	57
Maulik Patel	1897012	3	1897012	3
Ankit Patel	1609503	2	1609503	2
Kaushal Soparkar	1580747	2	1580747	2
Karna Patel	505954	1	505954	1
Kalpanaben Patel	442609	1	442609	1
Disha Patel	344890	0	344890	0
Taraben Patel	316150	0	316150	0
Kruti Patel	316150	0	316150	0
Nayana Soparkar	316150	0	316150	0
Vaishakhi Patel	316149	0	316149	0

(v) Shareholding of Directors and Key Managerial Personnel

For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year/ Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Jayantibhai Meghjibhai Patel	632414	0.89	632414	0.89
Mr. Ashish Natwarlal Soparkar	948563	1.34	948563	1.34
Mr. Natubhai Meghjibhai Patel	977304	1.38	977304	1.38
Mr. Rameshbhai Meghjibhai Patel	632414	0.89	632414	0.89
Mr. Anandbhai Ishwarbhai Patel	980178	1.39	980178	1.39
Mr. Balkrishna Thakkar	-	-	-	-
Mr. Chinubhai R. Shah	-	-	-	-
Dr. Arvind K. Patel	-	-	-	-
Ms. Nirali Parikh	-	-	-	-
Mr. Kamlesh D. Mehta	-	-	-	-
Mr. Sanjay Jain	-	-	-	-

V. Indebtedness

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

	Secured Loans excluding deposits (₹ In Crore)	Unsecured Loans (₹ In Crore)	Deposits (₹ In Crore)	Total Indebtedness (₹ In Crore)
Indebtedness at the beginning of the financial year				
i) Principal Amount	318.47	-	-	318.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.30	-	-	2.30
Total (i+ii+iii)	320.77	-	-	320.77
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	62.73	-	-	62.73
Net Change	62.73	-	-	62.73
Indebtedness at the end of the financial year				
i) Principal Amount	255.74	-	-	255.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.77	-	-	1.77
Total (i+ii+iii)	257.51	-	-	257.51

VI. Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Directors, Whole-time Directors and/or Manager**

Particulars of Remuneration	Not Applicable As the Company has not appointed any director as Managing/Wholetime Director					Total Amount (₹ In Crore)
Gross Salary						
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	-	-	-	-	-	-
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
Stock Options	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission (as % of Profit)	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-

Remuneration to other Non –Executive Independent Directors

Particulars of Remuneration	Name of Directors				Total Amount (₹ In Crore)
	Mr. B. T. Thakkar	Mr. C. R. Shah	Dr. A. K. Patel	Ms Nirali Parikh	
Fees for attending Board/ Committee Meetings	0.0120	0.0105	0.060	-	0.0285
Commission	-	-	-	-	-
Others, Please Specify	-	-	-	-	-
Total (B)	0.0120	0.0105	0.060	-	0.0285

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

Particulars of Remuneration	Key Managerial Personnel (KMP)		
	Mr. K. D. Mehta, Company Secretary (CS)	Mr. Sanjay Jain, Chief Financial Officer (CFO)	Total Amount (₹ In Crore)
Gross Salary			
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	-	0.171	0.171
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	0.000	0.000
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
Stock Options	-	-	-
Sweat Equity	-	-	-
Commission (as % of Profit)	-	-	-
Others	-	-	-
Total (C)	-	0.171	0.171

VII. Penalties/ Punishment/ Compounding of Offences

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

INDEPENDENT AUDITOR'S REPORT

To the Members of

MEGHMANI FINECHEM LIMITED**Report on the Financial Statements**

We have audited the accompanying financial statements of **Meghmani Finechem Limited**, which comprise the **Balance Sheet as at 31st March, 2015 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended**, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

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

As required by 'The Companies (Auditor's Report) order, 2015', issued by the Central government of India in terms of sub Section (11) of Section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us. We give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 to the financial statements.
 - iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647W**

**M.M.KHANDWALA
PARTNER
M.NO.: 32472**

**PLACE: AHMEDABAD
DATE : 12th MAY, 2015**

ANNEXURE TO THE AUDITORS' REPORT

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records under SAP showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (ii)
 - a) The inventories have been physically verified by the management at reasonable interval. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of the inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book record.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. So clause (a) & (b) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate Internal Control System commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, inventory and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the Internal Control System.
- (v) The Company has not accepted any deposits from the public covered under the provision of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under to the extent notified during the year.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of the cost records has been specified under sub Section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts & records have been made and maintained. We have not, however, made a detail examination of records with a view to determine whether they are accurate or complete.
- (vii)
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date they become payable;
 - b) According to the information and explanations given to us, there is no disputed due.
 - c) According to the information and explanations given to us, there is no amount required to be transferred to Investment Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Company does not have accumulated loss exceeding fifty percentage of its Net Worth and has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions and banks. The Company has not issued any debentures.

- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647W**

**PLACE: AHMEDABAD
DATE : 12th MAY, 2015**

**M.M.KHANDWALA
PARTNER
M.NO.: 32472**

BALANCE SHEET AS AT 31ST MARCH, 2015

(Figures in ₹)

Particulars	Note No.	31 st March 2015	31 st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	70,75,99,990	70,75,99,990
(b) Reserves and Surplus	3	1,49,47,65,514	1,44,79,77,349
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,78,87,65,379	2,51,50,51,342
(b) Long-Term Provisions	5	2,60,42,472	5,38,449
(c) Deferred Tax Liabilities	6	20,46,05,162	12,81,83,526
(3) Current Liabilities			
(a) Trade Payables	7	25,98,49,776	22,52,95,147
(b) Other Current Liabilities	8	85,30,51,164	75,82,23,033
(c) Short-Term Provisions	9	76,25,927	3,83,06,749
TOTAL		5,34,23,05,384	5,82,11,75,585
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	4,10,99,72,030	3,25,78,61,189
(ii) Intangible Assets	10	21,40,066	78,14,193
(iii) Capital Work-in-Progress		7,28,66,386	1,12,49,81,370
(b) Non-Current Investments	11	10,000	10,000
(c) Long-Term Loans and Advances	12	24,66,61,911	33,95,56,985
(d) Other Non-Current Assets	13	6,03,29,021	6,56,91,632
(2) Current Assets			
(a) Current Investments	14	17,34,11,800	-
(b) Inventories	15	19,05,73,903	23,00,69,693
(c) Trade Receivables	16	42,85,76,658	47,95,41,201
(d) Cash & Cash Equivalent	17	67,91,228	25,90,16,303
(e) Short-Term Loans and Advances	18	49,66,012	61,71,428
(f) Other Current Assets	19	4,60,06,369	5,04,61,591
Significant Accounting Policies	1		
TOTAL		5,34,23,05,384	5,82,11,75,585
Notes forming part of accounts	2 to 33		

AS PER OUR REPORT OF EVEN DATE
FOR **KHANDWALA & KHANDWALA**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(M. M. KHANDWALA)
PARTNER
M. NO.: 32472

SANJAY JAIN
CHIEF FINANCIAL OFFICER
K D MEHTA
COMPANY SECRETARY

J. M. PATEL - DIRECTOR
A.N.SOPARKAR - DIRECTOR
N.M.PATEL - DIRECTOR

PLACE : AHMEDABAD
DATE : 11th MAY 2015

PLACE : AHMEDABAD
DATE : 11th MAY 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

(Figures in ₹)

Particulars	Note No.	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Revenue from Operations	20	3,96,87,49,198	3,18,58,94,516
Less: Excise Duty		45,08,53,594	35,81,95,955
Revenue from Operations		3,51,78,95,604	2,82,76,98,561
Other Income	21	2,51,38,997	3,25,47,227
Total Revenue		3,54,30,34,601	2,86,02,45,788
Expenses:			
Cost of Materials Consumed	22	1,87,86,21,891	1,32,82,57,582
Changes in Inventories of Finished Goods, (Work-in-Progress and Stock-in-Trade)	23	(79,04,294)	(1,24,32,661)
Employee Benefits Expense	24	10,18,13,950	8,72,44,278
Finance Expense	25	26,84,60,986	27,52,09,255
Depreciation and Amortization Expense	10	42,30,25,185	49,38,55,965
Other Expenses	26	45,46,75,325	24,56,74,869
Total Expenses		3,11,86,93,043	2,41,78,09,289
Profit Before Exceptional, Extraordinary Items and Tax		42,43,41,558	44,24,36,499
Extraordinary Items		-	-
Profit Before Tax		42,43,41,558	44,24,36,499
Tax Expense			
(1) Current Tax		9,00,00,000	8,90,00,000
(2) Deferred Tax		7,74,95,653	14,67,65,183
(3) MAT Credit Entitlement		(9,00,00,000)	(8,90,00,000)
(4) Short/(Excess) Provision of Taxation of Earlier Years		-	31,566
Profit After Tax from Continuing Operations		34,68,45,905	29,56,39,749
Earnings per Equity Share:			
Basic & Diluted	30	4.90	4.18
Significant Accounting Policies	1		
Notes forming part of accounts	2 to 33		

AS PER OUR REPORT OF EVEN DATE
FOR **KHANDWALA & KHANDWALA**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(M. M. KHANDWALA)
PARTNER
M. NO.: 32472

SANJAY JAIN
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J. M. PATEL - DIRECTOR
A.N.SOPARKAR - DIRECTOR
N.M.PATEL - DIRECTOR

PLACE : AHMEDABAD
DATE : 11th MAY 2015

PLACE : AHMEDABAD
DATE : 11th MAY 2015

Cash Flow Statement for the year ended 31st March 2015

(Figures in ₹)

Particulars	As at 31 st March 2015	As at 31 st March 2014
A. Cashflow from Operating Activities		
Net Profit Before Tax	42,43,41,558	44,24,36,499
Adjustment for :		
Depreciation	42,30,25,185	49,38,55,964
Interest and Finance Charges	26,84,60,986	27,52,09,255
Interest Income	(1,42,79,960)	(2,61,78,809)
Mark to Market Loss / (Gain) on Derivative	(1,20,14,628)	(1,57,79,527)
Expenses Amortised During the Year	60,46,547	53,74,708
(Profit) / Loss on Sale of Investment	(92,35,087)	(63,27,437)
(Profit)/Loss on Sale of Fixed Assets (Net)	39,302	12,79,358
Operating Profit before Exceptional & Extraordinary Item	1,08,63,83,903	1,16,98,70,012
Extraordinary items	-	-
Operating Profit before Working Capital changes	1,08,63,83,903	1,16,98,70,012
Adjustment for:		
Inventories	3,94,95,790	(10,10,10,465)
Trade Receivable	5,09,64,543	(12,31,61,873)
Long term Loans and Advances	-	(13,25,36,132)
Short term Loans and Advances	12,05,416	(5,85,229)
Other Non Current Assets	(6,83,936)	13,01,063
Other Current Assets	1,10,26,577	6,24,094
Trade Payable	3,45,54,629	6,53,84,010
Other Current Liabilities	56,19,119	1,02,02,572
Long Term Provision	1,01,185	1,72,219
Provisions	5,54,862	(1,49,467)
Sub Total	14,28,38,185	(27,97,59,208)
Cash Generated from Operation	1,22,92,22,089	89,01,10,804
Direct Taxes Paid	(10,13,94,250)	(8,13,45,333)
Net Cash from Operating Activities	1,12,78,27,839	80,87,65,471
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(3,44,76,447)	(24,37,07,542)
Fixed deposits made	(68,75,00,000)	-
Fixed deposits withdrawn	68,75,00,000	-
Interest Received	1,45,89,664	2,36,07,011
Redemption of Mutual Fund	44,98,55,116	25,59,94,634
Investment in Mutual Fund	(61,40,31,829)	-
Loan to Holding Company	-	30,51,91,165
Sale of Fixed Assets	10,50,000	8,10,000
Net Cash Used in Investment Activities	(18,30,13,496)	34,18,95,268

Cash Flow Statement for the year ended 31st March 2015

(Figures in ₹)

Particulars	As at 31st March 2014	As at 31st March 2013
C. Cash flow from financing Activities		
Interest and Finance Charges Paid	(28,61,00,937)	(34,64,19,405)
Repayment of Term Loan (from Indian Banks)	(24,16,81,708)	(21,48,28,184)
Repayment of Borrowing (ECB Loan)	(37,12,28,394)	(36,33,92,697)
Interim Dividend Paid	(25,47,35,996)	-
Tax on Interim Dividend	(4,32,92,383)	-
Net Cash Used in Financing Activities	(1,19,70,39,418)	(92,46,40,286)
Net (Decrease)/ Increase in Cash and Cash Equivalent	(25,22,25,075)	22,60,20,453
Cash on Hand -Opening Balance	25,90,16,303	3,29,95,850
Cash on Hand -Closing Balance	67,91,228	25,90,16,303
Cash on Hand	1,10,559	64,828
Balance with Schedule Banks in CurrentAccounts	66,80,669	89,51,475
Deposits with Schedule Banks	-	25,00,00,000
Total Cash & Bank Balance as per Balance Sheet	67,91,228	25,90,16,303

Notes to the cash flow statement for the year ended on 31.03.2015

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

AS PER OUR REPORT OF EVEN DATE
FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS

(M. M. KHANDWALA)
PARTNER
M. NO.: 32472

PLACE : AHMEDABAD
DATE : 11.05.2015

SANJAY JAIN
CHIEF FINANCIAL OFFICER
K D MEHTA
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

J. M. PATEL - DIRECTOR
A.N.SOPARKAR - DIRECTOR
N.M.PATEL - DIRECTOR

PLACE : AHMEDABAD
DATE : 11.05.2015

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

1.1 BASIS FOR PREPARATION OF ACCOUNTS

The Financial statements have been prepared to comply in all material aspects in respect with the notified Accounting Standard by Companies Accounting Standard Rules, 2006 and the relevant Provisions of the Companies Act, 2013.

Accounting policies have been consistently applied by the Company.

1.2 USE OF ESTIMATES

The preparation of financial statements are in conformity with the generally accepted accounting principles which 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:

Domestic Sales are accounted exclusive of Excise, net of Central Sales Tax, VAT, sales return rate difference and negative realisation, 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 in respect of exports made during the year are accounted on accrual basis. 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.

v. Profit on Sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of investments.

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. Foreign currency Assets and Liabilities are stated at the exchange rates prevailing at the date of Balance sheet. The resulting gain or loss is appropriately recognised in the Profit and Loss account except for the exchange difference arising on the reporting of long term foreign currency monetary items relating to fixed assets, where the same is adjusted to fixed assets in accordance with notification no. GSR-225 (E) issued by Ministry of Corporate Affairs as on 31.03.2009 and amendment to AS 11 dated 29.11.2011.

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 rate 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, including borrowing cost till such assets are ready for its intended use, less specific grants received, Cenvat Credit availed and accumulated depreciation.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

- 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, and attributable interest. 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.

1.6 EXPENDITURE ON NEW PROJECTS AND SUBSTANTIAL EXPANSION

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

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.

Asset identified as intangible asset at cost including incidental expenses there to and are amortized over a predetermined period in the line with Accounting Standard (AS)-26 "Intangible assets"

1.8 DEPRECIATION

Except for leasehold land and Capital work-in-progress and other assets as stated below depreciation is charged on Straight Line Method (SLM) as per rates and manner prescribed under schedule II of the Companies Act 2013.

The estimated useful life of some of the asset is estimated on the basis of past experience of Management and Technical Evaluation by Independent agency. The management estimates that the useful life for Plant and Machinery used in Power generating units as 20 years, as the management believes that useful life represents the period which management expects to use these assets. Hence the useful life of these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013.

Leasehold land is amortized over the available balance lease period.

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

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset is recognized in Profit and Loss account for the relevant financial year.

1.9 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 is tested for impairment annually 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.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

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.

1.10 INVESTMENTS

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

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 on FIFO 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.

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

The Company amortises upfront and prepayment fees paid on refinancing of high cost rupee loans over the remaining period of the loan on the basis of the repayment schedule.

1.13 EMPLOYEE BENEFITS

Contribution to Defined Contribution schemes such as Provident Fund, etc are charged to the Profit and Loss account 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.

1.14 PRIOR YEAR EXPENSES AND INCOME

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

1.15 EXCISE DUTY

Excise duty (including education cess) on Finished Goods are shown separately in Manufacturing and Other Expenses and also included in the valuation of Finished goods.

1.16 CENVAT

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

CENVAT Credit of Capital Goods is accounted at the time of purchase and such CENVAT credit is shown as balance lying with Excise Authority.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

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 substantively enacted by the balance sheet date. Wealth tax is determined as the amount of tax payable in respect of taxable wealth.

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 (ICAI), 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 for the year 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 TRANSACTIONS

In respect of derivative contracts, premium paid, gains / losses on settlement and provision for losses for Cash Flow hedges are recognized in the Profit and Loss account, in view of Announcement made by ICAI in respect of Accounting Standard (AS) 1 and AS 30. Loss on Derivatives pertaining to capital asset have been capitalised to respective Fixed Asset.

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 of Property and Vehicle represent operating leases which are recognized as an expense in the statement of Profit and Loss.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
2. SHARE CAPITAL

(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
AUTHORISED		
75,000,000 Equity Shares (Previous Year 75,000,000) each share of ₹ 10/-	75,00,00,000	75,00,00,000
2,500,000 Preference Shares (Previous Year 2,500,000) each share of ₹ 100/-	25,00,00,000	25,00,00,000
	1,00,00,00,000	1,00,00,00,000
ISSUED, SUBSCRIBED & PAID UP		
70,759,999 Equity Shares (Previous Year 70,759,999) each share of ₹ 10/- Fully Paid Up	70,75,99,990	70,75,99,990
	70,75,99,990	70,75,99,990

2.1 Reconciliation of No. of Shares

Particulars	31 st March 2015	31 st March 2014
Opening Balance	7,07,59,999	7,07,59,999
Add: Shares issued	-	-
Out standing at the end of the year	7,07,59,999	7,07,59,999

2.2 Details of Shareholding

Particulars	31 st March 2015	31 st March 2014
Number of Shares held by		
(a) Holding Company(Meghmani Organics Limited)	4,04,46,820	4,04,46,820
% of Share held	57.16%	57.16%
Shareholders holding more than 5% of shares		
(b) International Finance Corporation	1,76,66,050	1,76,66,050
% of Share held	24.97%	24.97%

2.3 The Company is having only one class of shares i.e. Equity Shares carrying a nominal value of ₹ 10/- each.
Each Equity Share has 1 voting right. All equity shareholders have equal dividend rights.
3 RESERVES AND SURPLUS

(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
SECURITY PREMIUM		
As per last Balance Sheet	1,41,41,99,980	1,41,41,99,980
Addition for the year	-	-
Sub Total (A)	1,41,41,99,980	1,41,41,99,980
SURPLUS IN PROFIT & LOSS STATEMENT		
As per last Balance Sheet	3,37,77,369	(26,18,62,380)
Less: Effect of Transitional provisions as per Schedule II of the Companies Act, 2013	(20,29,361)	-
Profit for the year	34,68,45,905	29,56,39,749
Less: Interim Dividend Paid	(25,47,35,996)	-
Less: Tax on Interim Dividend	(4,32,92,383)	-
Sub Total (B)	8,05,65,534	3,37,77,369
Total (A+B)	1,49,47,65,514	1,44,79,77,349

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

4 LONG TERM BORROWINGS

(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
SECURED BORROWINGS		
From Bank		
Term Loan	1,20,84,08,536	1,53,06,50,813
External Commercial Borrowing	13,39,28,571	38,52,00,000
From Financial Institution		
External Commercial Borrowing	44,64,28,271	59,92,00,529
[(Refer Note 8 for current maturities of term loan from Banks and Financial Institution ₹ 768,670,847 (Previous Year ₹ 669,681,707)]		
Total	1,78,87,65,379	2,51,50,51,342

Note:

- 1) ICICI Bank Limited 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 where ever 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 International Finance Corporation (IFC) Washington USA (2) US \$ 15,000,000 to Standard Chartered Bank (SCB), London and Second Pari Passu charge on all the Current Assets of the Company along with other lenders.

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. Along with this the Indenture of Mortgage created to secure term loan by way of ECB availed from IFC of US\$ 20,000,000 (₹ 864,548,645)

- 2) The Company 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 instalments.

- 3) The Company has availed US \$ 15,000,000 (₹ 690,975,000) ECB from Standard Chartered Bank (SCB), United Kingdom by executing Memorandum of Hypothecation dated 16th February, 2012. The entire facility has been secured by (1) First pari passu charge on all present and future movable fixed assets of the Company including movable plant and machinery etc. and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.

The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US \$ 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 instalments.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
5 LONG TERM PROVISIONS
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Provision for Employee Benefits	6,39,634	5,38,449
Provision for Option Derivative	2,54,02,838	
Total	2,60,42,472	5,38,449

6 DEFERRED TAX
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Deferred Tax Liabilities	(30,81,59,706)	(25,69,40,528)
Deferred Tax Assets	10,35,54,544	12,87,57,002
Total	(20,46,05,162)	(12,81,83,526)

- 1) As regards Deferred Tax as per Accounting Standard-22 (AS-22) on "Accounting for Taxes on Income", there exist deferred tax asset due to carry forward losses and unabsorbed depreciation.
- 2) The Company has recognised Deferred Tax Assets on unabsorbed losses and unabsorbed depreciation in view of utilisation of full capacity in subsequent year being sufficient convincing evidence for substantiating the virtual certainty of recoverability of losses.

DEFERRED TAXASSET / (LIABILITY) (NET)
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Deferred Tax Liability		
Difference in book & tax depreciation on Fixed Assets	29,49,06,646	24,18,68,909
Expenditure Claimed as deduction in Tax	1,32,53,059	1,50,71,619
Deferred Tax Liabilities	30,81,59,706	25,69,40,528
Deferred Tax Asset		
Disallowance under Income Tax Act	24,13,293	18,29,167
Unabsorbed Depreciation	10,11,41,251	12,69,27,834
Deferred Tax Assets	10,35,54,544	12,87,57,002
Net Position of Deferred Tax Liabilities	(20,46,05,162)	(12,81,83,526)
Net Position debited to Statement of Profit and Loss	7,74,95,653	14,67,65,183

Note: Effect of Transitional provisions as per Schedule II of the Companies Act, 2013 amounting Rs.1,074,018 has been adjusted to opening balance of Deferred Tax Liabilities

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

7 TRADE PAYABLES

(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
a) Micro Small & Medium Enterprise	64,74,152	29,30,701
b) Others	25,33,75,624	22,23,64,446
Total	25,98,49,776	22,52,95,147

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.

7.1 DISCLOSURES AS PER MSMEDA, 2006

The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

The details as required by MSMED Act are given below:

(Figures in ₹)

Particulars	2014-2015	2013-2014
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	64,74,152	29,30,701
Interest Amount	3,72,274	1,80,067
The amount of interest paid by the buyer in terms of Section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	1,94,535	84,478
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	2,46,773	93,955
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 the Act.	3,72,274	1,80,067

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
8 OTHER CURRENT LIABILITIES
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
(a) Current maturities of long-term debt (Refer Note No. 4 for related long-term secured borrowings)	76,86,70,847	66,96,81,707
(b) Interest accrued but not due	1,77,37,936	2,30,04,873
(c) Provision for Tax (Net of Advance Tax)	-	45,13,191
(d) Other payables		
1) Statutory Payments	2,50,14,008	2,36,08,320
2) Security Deposits	2,65,00,000	2,10,00,000
3) Payable against Retention Money	5,57,456	5,57,456
4) Payable to Employees	1,25,31,308	1,00,81,474
5) Advance Received from Customers	10,74,929	20,87,219
6) Unpaid Expenses	9,64,680	36,88,793
Total	85,30,51,164	75,82,23,033

9 SHORT TERM PROVISIONS
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
(a) Provision for Employee Benefits	7,65,254	6,09,216
(b) Provision for Gratuity	2,76,617	-
(c) Provision for Wealth Tax	30,000	1,00,000
(d) Provision for MSMED Interest	3,72,274	1,80,067
(e) Provision for Option Derivative	61,81,782	3,74,17,466
Total	76,25,927	3,83,06,749

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

10 TANGIBLE AND INTANGIBLE ASSETS

(Figures in ₹)

Description	Gross Block			Depreciation/Amortisation			Net Block	
	1st April, 2014	Addition	Deduction/ Adjustment	31st March, 2015	1st April, 2014	For the year	Up to 31st March, 2015	31st March, 2014
TANGIBLE ASSET								
Lease Hold Land	12,91,21,892	-	-	12,91,21,892	88,94,233	13,06,822	1,02,01,055	11,89,20,837
Building	80,92,02,073	24,25,27,795	-	1,05,17,29,868	10,63,10,388	4,08,52,752	14,71,63,140	90,45,66,728
Plant & Equipments	3,38,07,66,240	28,63,62,699	-	3,66,71,28,939	1,50,17,23,963	31,82,58,177	1,81,79,82,140	1,84,91,46,799
Captive Power Plant & Equipments	99,02,88,234	74,33,62,178	-	1,73,36,50,412	45,24,16,764	5,55,37,086	50,79,53,850	1,22,56,96,562
Furniture & Fixtures	68,91,823	3,23,530	-	72,15,353	20,46,989	9,83,338	30,30,327	41,85,026
Office Equipments	55,48,164	5,24,514	-	60,72,678	15,14,286	3,54,584	48,54,797	12,17,881
Vehicles	1,21,53,850	-	47,87,599	73,66,251	37,31,861	17,37,527	17,71,093	55,95,158
Others (Computer)	21,18,874	5,53,864	-	26,72,738	15,91,477	3,20,772	20,29,698	6,43,040
TOTAL (A)	5,33,60,91,150	1,27,36,54,580	47,87,599	6,60,49,58,131	2,07,82,29,961	41,73,51,058	2,49,49,86,100	4,10,99,72,031
INTANGIBLE ASSET								
GDIC User Rights	16,91,69,524	-	-	16,91,69,524	16,13,55,331	56,74,127	16,70,29,458	21,40,066
TOTAL (B)	16,91,69,524	-	-	16,91,69,524	16,13,55,331	56,74,127	16,70,29,458	21,40,066
TOTAL (A+B)	5,50,52,60,674	1,27,36,54,580	47,87,599	6,77,41,27,655	2,23,95,85,292	42,30,25,185	2,66,20,15,558	4,32,39,77,382
Previous Year	5,40,01,51,735	10,86,62,982	35,54,043	5,50,52,60,674	1,74,71,94,013	49,38,55,964	2,23,95,85,292	3,26,56,75,382
Capital work in Progress	94,00,90,720	5,79,56,944	-	99,80,47,664	-	-	-	5,79,56,939
Expenditure Incurred During Construction Period	18,48,90,650	1,50,52,602	-	19,99,43,252	1,49,09,447	-	-	1,49,09,447
Total	6,63,02,42,044	1,34,66,64,126	1,12,99,12,129	6,84,69,94,042	2,23,95,85,292	42,30,25,185	2,66,20,15,558	4,18,49,78,484

Notes:

- The Company has opted for Notification No. GSR:225(E) issued by the Ministry of Corporate Affairs on March 31, 2009 in respect of accounting periods commencing on or after December 07, 2006 and ending on or before March 31, 2011. And in view of MCA Circular no 25/2012 dated 9th August 2012, para 6 of AS11 and para 4 (e) of AS16 are not applicable to the Company as Company has applied Clause 46 A of AS11.
 - In view of above during the current year exchange gain of ₹ 2,001,007 (Previous Year exchange loss of ₹ 83,321,570) arising on reporting of long term foreign currency monetary item related to fixed assets has been added/deducted to cost of fixed asset and the unamortized balance carried as part of tangible asset as at the year end aggregate to ₹ 124,450,934 (Previous Year ₹ 156,944,623)
 - In view of above during the current year exchange loss of ₹ NIL (Previous Year exchange loss : ₹ 25,146,424) arising on reporting of long term foreign currency monetary item related to fixed assets has been capitalised under Capital Work in Progress being Project under implementation stage
- Borrowing cost capitalised during the year ₹ 11,192,766 (Previous Year: ₹ NIL) to respective qualifying assets and ₹ 1,180,248 (Previous Year: ₹ 57,277,282) included in Capital Work in progress
- Consequent to Schedule II of the Companies Act, 2013, becoming applicable w.e.f. April 1, 2014 depreciation for the year ended 31st March 2015 has been provided on the basis of revised estimated useful lives as prescribed in Schedule II. The management has technically reviewed the estimated useful life of plant and machinery related to power generating unit as 20 years is different from those prescribed under part C of schedule II to the Companies Act 2013. An amount of ₹ 2,029,361 (net of Deferred Tax ₹ 1074018) has been deducted from the opening balance of retained earnings for the assets where remaining useful life as per schedule - II was NIL.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
11 NON CURRENT INVESTMENTS
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
NON CURRENT INVESTMENTS		
<u>Trade Investments</u>		
NSC Deposit - Unquoted	10,000	10,000
Total	10,000	10,000
Aggregate Value Of Unquoted Investments		
Non Current	10,000	10,000
Current	-	-

12 LONG TERM LOANS AND ADVANCES (Unsecured and Considered good)
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
LONG TERM LOANS AND ADVANCES		
(a) Capital Advances to vendor	5,27,59,319	23,56,54,393
(b) MAT Credit Entitlement	17,90,00,000	8,90,00,000
(c) Security Deposits	1,49,02,592	1,49,02,592
Total	24,66,61,911	33,95,56,985

13 OTHER NON CURRENT ASSETS
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Unamortized Upfront Charges on Borrowings	3,82,94,785	4,43,41,332
Term Deposit as Margin Money With Schedule Bank	2,20,34,236	2,13,50,300
Total	6,03,29,021	6,56,91,632

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

14 OTHER NON CURRENT INVESTMENTS

(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Other Current Investments		
Investments in Mutual Funds (Quoted/Unquoted) (Fully Paid/ Partly Paid)		
UTI Short Term Income Fund	1,62,10,818	-
Reliance Regular Savings Fund - Debt Option	1,00,00,000	-
Tata Short Term Bond Fund Plan A	6,44,35,739	-
DSP Black Rock Income Opportunities Fund	1,00,00,000	-
Tata Dynamic Bond Fund Plan A	7,27,65,243	-
Total	17,34,11,800	-

(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Aggregate Value Of Quoted Investments		
Current: Carrying Amount	17,34,11,800	-
Market Value	17,59,99,766	-

15 INVENTORIES

(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
(a) Raw Materials	6,32,77,337	12,63,55,038
(b) Finished Goods	3,15,64,952	2,36,60,658
(c) Stores and Spares	9,47,22,065	7,86,76,915
(d) Others (Packing Material).	10,09,549	13,77,082
Total	19,05,73,903	23,00,69,693

Mode of Valuation of Inventories

Inventories	Valuation Method	Valuation Method
(a) Raw Materials	At Monthly Moving Weighted Average Cost on FIFO Basis or Net Realisable Value, whichever is less	At Monthly Moving Weighted Average Cost on FIFO Basis or Net Value, whichever is less Realisable
(b) Stores and Spares	At Cost or Net Realisable Value, whichever is less	At Cost or Net Realisable Value, whichever is less
(c) Finished Goods	At Cost or Net Realisable Value, whichever is less	At Cost or Net Realisable Value, whichever is less

(Items other than finished goods are written down below cost only when the finished goods are written down to their net realisable value.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
16 TRADE RECEIVABLES
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Outstanding for a period exceeding Six months		
Un Secured & Considered Good	18,72,697	4,33,058
Considered Doubtful	-	-
Less: Provision for Doubtful Trade Receivables	-	-
	18,72,697	4,33,058
Others Un Secured & Considered Good	42,67,03,961	47,91,08,143
(includes ₹ 22,818,262 (Previous Year ₹ 109,904,310 due from Holding Company))		
Total	42,85,76,658	47,95,41,201

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
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Cash and cash equivalents		
(a) Balances with Banks :-		
In Current Account	66,80,669	89,51,475
(b) Cash on Hand	1,10,559	64,828
(c) Fixed Deposits with maturity of less than three month	-	25,00,00,000
Total	67,91,228	25,90,16,303

18 SHORT TERM LOANS AND ADVANCES
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
Other Advances (Un secured & Considered Good)	49,66,012	55,21,428
Tender Deposit	-	6,50,000
Total	49,66,012	61,71,428

19 OTHER CURRENT ASSETS
(Figures in ₹)

Particulars	31 st March 2015	31 st March 2014
(a) Balance with Government Department	3,14,31,126	4,28,76,105
(b) Advance Income Tax (Net of Provision)	68,81,059	-
(c) Other Current Assets	41,19,120	42,88,911
(d) Prepaid Expenses	35,75,064	32,96,575
Total	4,60,06,369	5,04,61,591

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

20 REVENUE FROM OPERATIONS

(Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Sales of Products (Net of Taxes):		
Caustic	3,32,17,62,613	2,49,43,83,912
Chlorine	14,06,99,306	14,33,19,207
Others	5,53,82,852	18,99,73,774
Total Sales	3,51,78,44,771	2,82,76,76,893
Other Operating Revenue	50,833	21,668
Total	3,51,78,95,604	2,82,76,98,561

20.1 EARNING IN FOREIGN CURRENCY

(Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
FOB value of Export	4,08,69,764	2,18,57,358

21 OTHER INCOME

(Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Interest Received on FDR	1,41,35,559	1,24,83,329
Interest Received on Inter Corporate Deposit	-	1,34,21,129
Interest Received Others	1,44,401	2,74,351
Other Non-operating Income		
Profit on Sale of Investments	92,35,087	63,27,437
Sundry Balances Written Off	16,23,950	40,981
Total	2,51,38,997	3,25,47,227

22 COST OF MATERIAL CONSUMED

(Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Common Salt	31,01,84,203	15,54,91,237
Barium Carbonate	9,07,92,971	6,38,92,530
Steam Coal	1,41,44,27,387	1,08,02,70,719
Others	6,32,17,330	2,86,03,096
Total	1,87,86,21,891	1,32,82,57,582

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
22.1 Value of Imported and Indigenous Raw Materials, Stores, Components and Spare Parts Consumed. (Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Raw materials		
Imported	-	33,73,380
Indigenous	1,87,86,21,891	1,32,48,84,202
	1,87,86,21,891	1,32,82,57,582
Spare parts		
Imported	1,32,70,214	19,46,428
Indigenous	5,90,70,575	4,50,13,449
	7,23,40,789	4,69,59,877
Total	1,95,09,62,680	1,37,52,17,459

23 CHANGE IN INVENTORIES OF FINISHED GOODS, WIP & STOCK IN TRADE (Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Opening Stock		
(I) Finished Goods	1,96,29,636	94,92,850
(ii) Excise duty on Finished Goods	40,31,022	17,35,147
Total (A)	2,36,60,658	1,12,27,997
Closing Stock		
(I) Finished Goods	2,60,08,244	1,96,29,636
(ii) Excise duty on Finished Goods	55,56,708	40,31,022
Total (B)	3,15,64,952	2,36,60,658
(Increase)/Decrease Total (A - B)	(79,04,294)	(1,24,32,661)

24 EMPLOYEE BENEFITS EXPENSE (Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Salaries and Wages	9,08,78,127	7,66,83,685
Staff Welfare Expenses	1,09,35,823	1,05,60,593
Total	10,18,13,950	8,72,44,278

25 FINANCE EXPENSE (Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Interest Expense	26,21,68,866	26,88,75,746
Prepayment Premium	24,23,484	21,54,208
Upfront Fees	36,23,063	32,20,500
Loan Processing Charges	-	8,50,000
Bank Charges	2,45,573	1,08,801
Total	26,84,60,986	27,52,09,255

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

26 OTHERS EXPENSES

(Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Consumption of Stores and Spare parts	7,23,40,789	4,69,59,877
Consumption of Packing Materials	2,39,40,921	1,91,95,980
Power and Fuel	26,10,118	59,29,922
Electricity Duty on Own Generation	12,98,22,271	-
Repairs to Buildings	49,86,824	30,66,064
Repairs to Machinery	2,59,91,747	1,99,18,677
Insurance	96,27,359	87,75,669
Rates and Taxes	11,88,670	16,56,789
Water Charges	6,33,03,809	5,05,86,613
Labour Contract	5,58,83,020	4,53,75,780
Commission on Sales	3,33,07,351	2,17,47,634
Loss on Derivatives	(1,20,14,628)	(1,57,79,527)
Loss on Sale of Assets	39,302	12,79,358
Miscellaneous expenses		
(a) Manufacturing Expenses	(11,17,506)	28,03,175
(b) Administrative Expenses	2,08,35,053	2,22,75,760
(c) Selling and Distribution Expenses	2,25,30,225	1,06,83,098
Payments to the Auditor as :-		
(a) Auditor - Statutory Auditor	12,00,000	10,00,000
(b) for Taxation Matters	1,00,000	1,00,000
(e) for Other Services	1,00,000	1,00,000
Total	45,46,75,325	24,56,74,869

26.1 Details of Expenditure on Foreign Currency

(Figures in ₹)

Particulars	YEAR ENDED ON 31.03.2015	YEAR ENDED ON 31.03.2014
Interest on ECB loan	3,47,41,428	4,87,84,243
Installment to IFC and SCB against ECB Borrowing	37,12,28,396	36,33,92,701
Other Expenses Including Capital Expenditure	8,64,48,852	1,94,96,775
Foreign Travelling	1,04,975	-
Others	-	60,51,343
Total	49,25,23,651	43,77,25,062

27 CONTINGENT LIABILITIES & COMMITMENTS

Contingent Liabilities and commitments not provided for in the accounts:

(Figures in ₹)

Particulars	31st March, 2015	31st March, 2014
In respect of Bank Guarantee (SBI)	2,20,34,237	2,07,14,207
In respect of Bank Guarantee (ICICI)	19,30,000	-
In respect of Letter of Credit	5,21,25,000	-
In respect of Service Tax	45,31,565	9,56,908

The Estimated Amount of Contract for expansion Project of Caustic Potash (KoH 60 TPD) of Plant remaining to be executed on capital account of ₹ 352,075,488 (Previous Year ₹ NIL) net of advances is not provided for.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
28 SEGMENT REPORTING

The Company has only one primary segment i.e. Manufacturing of Basic Chemicals (Caustic Soda Lye) with Captive Power Plant. The Company mainly sales Caustic Soda Lye to domestic customers and hence secondary segment information is not required to be given

29 EMPLOYEE BENEFITS

As per revised Accounting Standard 15 (AS-15) "Employees Benefits", the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2015.

Defined Benefit Obligation recognized in statement of Profit and Loss Account (Figures in ₹)

Particulars	Gratuity		Leave Encashment	
	2014-2015	2013-2014	2014-2015	2013-2014
Current Service Cost	7,50,317	7,47,120	1,22,640	1,17,958
Interest Cost	(1,55,946)	2,01,367	50,130	41,346
Expected return on plan assets	-	(2,70,361)	-	-
Actuarial (gain)/loss	16,85,803	(1,08,446)	75,115	(34,849)
Total Expenses recognized in the Statement of Profit and Loss	22,80,174	5,69,680	2,47,885	1,24,455

Defined Benefit Obligation recognized in Balance Sheet (Figures in ₹)

Particulars	Gratuity		Leave Encashment	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Present Value of Funded Obligation	(20,03,557)	(30,10,494)	5,38,449	-
Fair Value of Plan Assets	22,80,174	49,23,735	2,12,821	-
Present Value of Unfunded Obligation	2,76,617	19,13,241	7,51,270	5,38,449
Unrecognised past Service Cost	-	-	-	-
Net Liability	2,76,617	19,13,241	7,51,270	5,38,449
Assets/(Liabilities) in Balance Sheet	2,76,617	19,13,241	7,51,270	5,38,449

Change in present value of Defined Benefit Obligation (Figures in ₹)

Particulars	Gratuity		Leave Encashment	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Opening balance of present Value Of Obligation	30,10,494	24,40,814	5,38,449	5,01,169
Current Service cost	7,50,317	7,47,120	50,130	1,17,958
Interest cost	2,80,277	2,01,367	1,22,640	41,346
Actuarial Loss /(Gains)	16,74,379	(2,27,235)	75,115	(34,849)
Benefit Paid	(6,74,693)	(1,51,572)	(35,064)	(87,175)
Closing Balance of Present Value of Obligation	50,40,774	30,10,494	7,51,270	5,38,449

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
Changes in the Fair value of Plan Assets
(Figures in ₹)

Particulars	Gratuity		Leave Encashment	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Opening Balance of Present Value of Plan Assets	49,23,735	33,90,302	-	-
Expected Return on Plan Assets	4,36,223	2,70,361	-	-
Actuarial Gain/(Loss)	(11,424)	(1,18,789)	-	-
Contribution By Employer	-	15,33,433	-	-
Benefit Paid	(5,84,377)	(1,51,572)	-	-
Fair Value of Plan Assets as at 31 st March, 2015	47,64,157	49,23,735	-	-

Actuarial Assumption

Particulars	Gratuity		Leave Encashment	
	2014-2015	2013-2014	2014-2015	2013-2014
Discount Rate (per annum)	9.31%	8.25%	9.31%	8.25%
Expected Return on Assets (per annum)	8.70%	8.70%	-	-
Annual Increase in Salary Cost (per annum)	6.00%	6.00%	6.00%	6.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%

The Major Categories of Plan Asset as Percentage of Total Plan Asset

Particulars	Gratuity		Leave Encashment	
	2014-2015	2013-2014	2014-2015	2013-2014
Government of India Securities	0%	0%	0%	0%
High quality Bond	0%	0%	0%	0%
Equity Share of Listed Companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Insurance Company	100%	100%	0%	0%

Net Asset/(Liability) recognized in Balance Sheet
(Figures in ₹)

Particulars	Gratuity		Leave Encashment	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Defined Benefit obligation	50,40,774	30,10,494	7,51,270	5,38,449
Plan Assets	47,64,157	49,23,735	-	-
Surplus/(Deficit)	(2,76,617)	19,13,241	(7,51,270)	5,38,449
Net Opening Liability	(19,13,241)	(9,49,488)	5,38,449	5,01,169
Charged to Statement of Profit and Loss	21,89,857	5,69,680	2,47,885	1,24,455
Contribution Paid	-	(15,33,433)	(35,064)	(87,175)
Closing Net Liability	2,76,617	(19,13,241)	7,51,270	5,38,449

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
30 DISCLOSURE OF EARNING PER SHARE AS PER AS 20
(Figures in ₹)

Particulars	31st March 2015	31st March 2014
Net Profit after Tax Attributable to Shareholders	34,68,45,905	29,56,39,750
Weighted Average Number of Shares at the end of Year	7,07,59,999	7,07,59,999
Nominal Value of Shares	10	10
Basic / Diluted Earning Per Share (EPS)	4.90	4.18

31 RELATED PARTY DISCLOSURES

Sr. No.	Name of Related Party	Relationship
1	Meghmani Organics Limited	Holding Company
2	Meghmani Energy Ltd.	Fellow Subsidiary Company (Ceased to be Fellow Subsidiary since 26.03.2015)
3	Meghmani Dyes & Intermediates Limited (MDIL)	} Enterprise in which Directors & KMP have significant influence
4	Meghmani Industries Limited (MIL)	
5	Meghmani Pigments (MP)	
6	Meghmani Unichem LLP (MUL)	
8	Vidhi Global Chemicals Ltd.	
9	Panchratan Corporation	
10	Tapsheel Enterprise	} Relative of Key Management Personnel (Employees)
11	Maulik Patel	
12	Kaushal Soparkar	

Transaction with Related Parties:
(Figures in ₹)

Particular	Holding Company		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Relatives of Key Managerial Personnel (KMP)		Total	
	F.Y. 2015	F.Y. 2014	F.Y. 2015	F.Y. 2014	F.Y. 2015	F.Y. 2014	F.Y. 2015	F.Y. 2014
Sale of Goods	25,90,74,939	25,60,27,101	-	-	-	-	25,90,74,939	25,60,27,101
Sale to Goods to MDIL	-	-	2,27,49,948	2,44,48,799	-	-	2,27,49,948	2,44,48,799
Sale of Goods to MIL	-	-	3,50,06,984	2,76,38,769	-	-	3,50,06,984	2,76,38,769
Sale of Goods to MP	-	-	1,59,71,455	1,72,56,000	-	-	1,59,71,455	1,72,56,000
Sale of goods to MUL	-	-	13,61,81,033	9,77,70,714	-	-	13,61,81,033	9,77,70,714
Sale to Goods to Tapsheel	-	-	8,26,018	10,67,937	-	-	8,26,018	10,67,937
Purchase of Goods	5,94,663	24,703	-	-	-	-	5,94,663	24,703
Interest Income received	-	(1,34,21,131)	-	-	-	-	-	(1,34,21,131)
Loan Payment	-	7,00,00,000	-	-	-	-	-	7,00,00,000
Loan repayment	-	37,50,00,000	-	-	-	-	-	37,50,00,000
Maulik Patel- Salary	-	-	-	-	8,44,126	8,44,996	8,44,126	8,44,996
Kaushal Soparkar- Salary	-	-	-	-	7,36,243	7,89,148	7,36,243	7,89,148
Total	25,96,69,602	68,76,30,673	21,07,35,437	16,81,82,219	15,80,369	16,34,144	47,19,85,408	85,74,47,036

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

Outstanding Balance with Related Parties:

(Figures in ₹)

Particular	Holding Company		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Relatives of Key Managerial Personnel(KMP)		Total	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Debtors	2,28,18,262	10,99,04,310	3,38,88,745	3,82,62,491	-	-	5,67,07,007	14,81,66,801
Advance for Capital Expenditure	-	-	3,00,00,000	17,75,00,000	-	-	3,00,00,000	17,75,00,000
Creditors	5,94,663	-	-	-	-	-	5,94,663	-
Salary Payable	-	-	-	-	2,82,741	78,933	2,82,741	78,933

32 DERIVATIVES

The Company uses derivative contracts to manage its foreign currency exposure relating to its underlying transactions and commitments. The Company doesn't enter into any derivative instrument for trading or speculation purpose. The derivative contracts outstanding as on 31st March 2015 are as under:

(Figures in ₹)

Particulars		No. Of contracts	Amount outstanding in Foreign Currency	Amount outstanding in Indian Currency	Mark to Market Value	Amount o/s in Foreign Currency (USD)	Amount outstanding in Indian Currency	Mark to Market Value
			31 st March 2015			31 st March 2014		
Interest Rate Swap Contract (ECB-IFC)	USD	3	85,71,000	53,56,87,500	(2,54,02,838)	1,10,19,857	66,03,09,807	(3,74,17,466)
Currency Swap (ECB-IFC)	USD	1	14,29,000	8,93,12,500	1,72,74,185	18,37,286	11,00,90,177	1,96,25,696
Full Currency Swap (ECB-SCB)	USD	1	64,28,571	40,17,85,714	10,96,75,125	1,07,14,286	64,20,00,017	16,51,32,989
Currency Swap (LC-ICICI)	JPY	1	10,00,00,000	5,21,25,000	(61,81,782)	-	-	-

The amount of unhedged foreign exchange exposure as on 31st March 2015 US\$ 8,571,000 (Previous Year US\$ 11,019,857).

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015
33 MOVEMENT OF PROVISIONS

(Figures in ₹)

Particulars	2014-2015		2013-2014	
	Derivative Contracts	MSMED Suppliers	Derivative Contracts	MSMED Suppliers
As on 1st April, 2013	5,31,96,993	2,71,400	29,30,552	2,39,854
Addition during the year	-	93,955	5,02,66,441	31,546
Used during the year	-	-	-	-
Reversed during the year	1,57,79,527	1,85,288	-	-
As on 31st March, 2014	3,74,17,466	1,80,067	5,31,96,993	2,71,400
Addition during the year	-	2,46,773	-	93,955
Used during the year	-	-	-	-
Reversed during the year	58,32,846	54,566	1,57,79,527	1,85,288
As on 31st March, 2015	3,15,84,620	3,72,274	3,74,17,466	1,80,067
Nature and purpose of Estimated timing of outflow	Provide for swap contract as per Accounting Standard 1 (AS-1)	Provide interest to MSMED Suppliers for overdue payment of 45 days as per MSMED Act, 2006	Provide for swap contract as per Accounting Standard 1 (AS-1)	Provide interest to MSMED Suppliers for overdue payment of 45 days as per MSMED Act, 2006

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
(M. M. KHANDWALA)
PARTNER
M. NO.: 32472

SANJAY JAIN
CHIEF FINANCIAL OFFICER
K D MEHTA
COMPANY SECRETARY

J. M. PATEL - DIRECTOR
A.N.SOPARKAR - DIRECTOR
N.M.PATEL - DIRECTOR

PLACE : AHMEDABAD
DATE : 12th MAY 2015

PLACE : AHMEDABAD
DATE : 12th MAY 2015

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Figures in ₹)

I Registration Details		
Registration No	U24100GJ2007PLC0501717	U24100GJ2007PLC0501717
Status Code	4	4
Balance Sheet Date	31ST MARCH,2015	31ST MARCH,2014
II Capital raised during the year		
Public Issue	NIL	NIL
Right Issue	NIL	NIL
Bonus Issue	NIL	NIL
Private Placement	NIL	NIL
III Position of Mobilization and Development of Funds		
Total Liabilities	5,34,23,05,384	5,82,11,75,585
Total Asset	5,34,23,05,384	5,82,11,75,585
Source Of Funds		
Paid up Capital	70,75,99,990	70,75,99,990
Reserve & Surplus	1,49,47,65,514	1,44,79,77,349
Secured Loans	1,78,87,65,379	2,51,50,51,342
Unsecured Loans		
Deferred Tax Liability	20,46,05,162	12,81,83,526
Application Of Funds		
Net Fixed Asset	4,18,49,78,480	4,39,06,56,752
Investments	10,000	10,000
Deferred Tax Asset	-	-
Net Current Asset	1,07,47,565	40,81,45,455
Miscellaneous Expenditure	-	-
Accumulated Losses	-	-
IV Performance of Company		
Turnover (including Other Income)	3,54,30,34,601	2,86,02,45,788
Total Expenditure (including prior year expenses)	3,11,86,93,043	2,41,78,09,289
Profit Before Tax	42,43,41,558	44,24,36,499
Profit After Tax	34,68,45,905	29,56,39,750
Earning per Share (Equity) (Annualised)	4.9	4.18
Dividend Rate (Interim)	36%	-
V General Names Of Three Principal Products		
Item Code No. (ITC Code)	3008	3008
Product Description	Caustic Soda	Caustic Soda

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
(M. M. KHANDWALA)
PARTNER
M. NO.: 32472

SANJAY JAIN
CHIEF FINANCIAL OFFICER
K D MEHTA
COMPANY SECRETARY

J. M. PATEL - DIRECTOR
A.N.SOPARKAR - DIRECTOR
N.M.PATEL - DIRECTOR

PLACE : AHMEDABAD
DATE : 12th MAY 2015

PLACE : AHMEDABAD
DATE : 12th MAY 2015

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31.03.2015**

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

To,
The Members,
Meghmani Finechem Limited
Plot No.CH1/CH2, GIDC Industrial Estate,
Dahej, Tal. Vagara,
Dist. Bharuch 392 130

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Meghmani Finechem Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that –

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2015 ("Audit Period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2015** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under **(Not Applicable to the Company during the Audit Period)** ;

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 **(Not Applicable to the Company during the Audit Period)** ;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)** ;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (1992) **(Not Applicable to the Company during the Audit Period)** ;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 1992 **(Not Applicable to the Company during the Audit Period)** ;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not Applicable to the Company during the Audit Period)** ;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)** ; and
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)** ;
6. Other laws specifically applicable to the Company **(As per Annexure-1)**
 We have also examined compliance with the applicable clauses of the following
 - i. Secretarial Standards issued by the Institute of Company Secretaries of India **(Not Applicable to the Company during the Audit Period)** ;
 - ii. The Listing Agreements entered into by the Company with the Stock Exchange. **(Not Applicable to the Company during the Audit Period)** ;

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

We further report that

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

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

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

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

We further report that during the Audit period the Company has:

Taken the decision by the members in respect of borrowing limits to Rs 1000/- Crores and creation of charge for the said limit on Company's property in pursuant to the provisions of Section 180 of the Companies Act, 2013

We further report that during the Audit period, there were no instances of

1. Public / Rights / Preferential issue of shares / debentures / sweat equity.
2. Merger / amalgamation / reconstruction etc.
3. Foreign technical collaborations.

**For, SHAHS & ASSOCIATES
Company Secretaries**

**Sd/-
(Kaushik Shah)
Partner**

FCS No 2420 CP No-1414

**Place: Ahmedabad
Date: 22nd May, 2015**

ANNEXURE – 1

- (1) ENVIRONMENT PROTECTION ACT, 1986 AND OTHER ENVIRONMENTAL LAWS
- (2) SOLID WASTE MANAGEMENT
- (3) THE CENTRAL EXCISE ACT, 1961
- (4) INDIAN EXPLOSIVE ACT – POISON ACT
- (5) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
- (6) INCOME TAX ACT, 1961
- (7) CENTRAL SALES TAX ACT 1944 (1 of 1944);
- (8) VALUE ADDED TAX GUJARAT STATE
- (9) PROFESSIONAL TAX
- (10) SERVICE TAX
- (11) NEGOTIABLE INSTRUMENT ACT
- (12) THE FACTORIES ACT, 1948
- (13) THE APPRENTICE ACT, 1961
- (14) THE INDUSTRIAL DISPUTE ACT, 1947
- (15) THE PAYMENT WAGES ACT, 1965
- (16) THE PAYMENT OF BONUS ACT
- (17) THE PAYMENT OF GRATUITY ACT
- (18) THE MINIMUM WAGES ACT, 1946
- (19) THE TRADE UNION ACT, 1926
- (20) THE EMPLOYMENT EXCHANGE ACT 1952
- (21) INDIAN STAMP ACT, 1899
- (22) CUSTOMS ACT 1962
- (23) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951
- (24) COMPETITION ACT, 2002

**For, SHAHS & ASSOCIATES
Company Secretaries**

**Sd/-
(Kaushik Shah)
Partner**

FCS No 2420 CP No-1414

**Place: Ahmedabad
Date: 22nd May, 2015**

NOTICE

Notice is hereby given that Annual General Meeting of the shareholders of the Company will be held on **Monday 20th July, 2015 at 10.30 A.M.** at the registered office of the Company, to transact the following business :-

- 1) To receive, consider and adopt the Audited Balance sheet as at 31st March, 2015 Statement of Profit and Loss and Cash Flow for the financial year ended on 31st March, 2015, together with reports of Board of Directors and the Auditor's thereon.
- 2) To appoint a Director in place of Mr. Ashish Soparkar, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Chinubhai Shah, who retires by rotation and being eligible offers himself for re-appointment for a period of five years.
- 4) To appoint Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:-

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

APPOINTMENT OF MS. NIRALI PARIKH AS WOMAN DIRECTOR

“RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Ms. Nirali Parikh (DIN- 05309425) 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 a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Non Executive Independent Woman Director of the Company for a period of 5 (Five) years from 20th July, 2015.”

- 6) To Consider and thought fit to pass the Following resolution with or without modification as **Special Resolution**.

TO ALTER ARTICLES OF ASSOCIATION OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 the existing Articles of Association of the Company stand repealed and substituted by a new set of Articles of Association of the Company as per the copy tabled before the meeting and initialled by the Chairman for the purpose of identification.”

“RESOLVED FURTHER THAT Mr. Jayanti Patel and Mr. Ashish Soparkar, Directors of the Company be and are hereby severally authorized to sign and file all the necessary forms and other necessary documents as may be required by the statutory authorities including the Registrar of Companies, Gujarat and to do such acts and deeds that may be required for the purpose of alteration of the Articles of Association of the Company that may be suggested by the Registrar of Companies or such other statutory authorities in the implementation of the aforesaid resolutions and to authorize such person or persons to give effect to the above resolutions and to submit all documents to the concerned authorities with regard to the same.”

- 7) To Consider and if thought fit to pass the following resolution with or without modification as **Ordinary Resolution**:-

TO RATIFY PAYMENT OF REMUNERATION TO THE COST AUDITORS OF THE COMPANY FOR FY 2015-16

“RESOLVED THAT in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, payment of remuneration of ₹ 1,00,000 (Rupees One Lakh only) per annum (apart from reimbursement of pocket expenses incurred for the purpose of Audit) to M/s K V Melwani & Associates, Ahmedabad Cost Accountants (Registration No. 100497), for conducting the audit of the cost records of the Company for the financial year 2015 -16 be and is hereby approved and ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including Audit Committee), be and is hereby authorized to ratify the payment remuneration and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:

Plot No. CH1 & CH 2

GIDC Dahej, Taluka : Vagra

Place : Bharuch

Date : 11/05/2015

**By Order of the Board
for MEGHMANI FINECHEM LIMITED**

**J M PATEL
(DIRECTOR)**

Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
- 2) The proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting
- 3) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
- 4) Explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of Item No. 5, 6, & 7 is annexed and form part of this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

APPOINTMENT OF MS. NIRALI PARIKH AS WOMAN DIRECTOR

Ms. Nirali Parikh, 33 years, residence of Ahmedabad, has done her graduation in Bachelor of Business Administration. She is an MBA with dual specialization in finance and marketing. She has worked as a full time lecturer in the area of Finance and accounting in an MBA institute in Ahmedabad. She has also been associated with one of the premier institutes of India – Indian Institute of Management Ahmedabad (IIMA) for two years and has edited books on Micro-finance and Entrepreneurship. She has co-authored a book, “Commodities Markets – Emerging Paradigms”. She has several articles and case studies published in various finance magazines. Ms. Nirali Parikh is currently in the business of marketing of industrial pumps. The Company specializes in gear and centrifugal pumps and deals with power, petroleum.

As required, under Section 160 of the Companies Act, 2013, the Company has received a Notice from the Members proposing the name of Ms. Nirali Parikh as a candidate for the office of the Director of the Company.

Your directors recommend for the appointment of Ms. Nirali Parikh and propose to pass the resolution under Item No. 5 of the Notice as an ordinary resolution

No one of the Directors except Ms. Nirali Parikh is interested or concerned in the resolution

ITEM NO. 6

TO ALTER ARTICLES OF ASSOCIATION OF THE COMPANY

The existing AoA are 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, 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 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.

ITEM NO. 7

PAYMENT OF REMUNERATION TO THE COST AUDITORS OF THE COMPANY FOR FY 2014-15 AND 2015-16

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s K V Melwani & Associates, Cost Accountants (Registration No. 100497), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified and approved by the Members of the Company.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration amounting to ₹ 1,00,000/- per annum plus applicable service tax and out of pocket expenses payable to the Cost Auditors for the financial year ending on 31st March, 2016. The Board accordingly recommends the resolution at Item No. 7 of this Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 7 of this Notice.

Registered Office:

Plot No. CH1 & CH 2

GIDC Dahej, Taluka : Vagra

Place : Bharuch

Date : 11/05/2015

**By Order of the Board
for MEGHMANI FINECHEM LIMITED**

**J M PATEL
(DIRECTOR)**



MEGHMANI FINECHEM LIMITED

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E-mail : helpdesk@meghmani.com **website :** www.meghmani.com

CIN No. : U24100GJ2007PLC051717