ANNUAL REPORT

2018-2019

MEGHMANI FINECHEM LIMITED

Your essentials. Our expertise.

Vision

To be a responsible chemical conglomerate with diversified **portfolio with Sustainability and Profitable Growth**

To treat its stakeholders as partners in growth and to focus on providing **Quality Products and Services**

To provide due consideration to **Health, Safety & Environment (HSE) and Corporate Social Responsibility (CSR)**

To remain committed for providing opportunities to its personnel for **converting their Potential into Performance**

Mission

We will lead through :

- **Empowered work empowerment**
- **Speed of decision making**
- **Ethical way of functioning**
- **Business Integrity**
- **Hououring Commitments**
- **Focusing on Results**
- **Innovation & Efficiency**

Values

We Value :

- **TRUST**
- **ETHICS**
- **ADAPTABILITY**
- **INTEGRITY**
- **DIVERSITY**

Accelerating Growth

with closely integrated businesses

Inspiring our **10 YEAR** of Growth

Revenue increased
from Rs. 174 Cr in 2010 to **Rs. 710 Cr in 2019**

EBITDA increased
from Rs. 5 Cr in 2010 to **Rs. 322 Cr in 2019**

OUR PAST ACHIEVEMENTS DON'T SERVE AS BENCHMARKS BUT AS REMINDERS TO KEEP PUSHING OURSELVES. WE CONSTANTLY BEAT OUR OWN RECORDS.

The state of art manufacturing facility enables in fulfilling the growing customized requirements of our varied and valued Customers within promised time-frame.

- Manufacturing Capacities after Expansion are Caustic Soda 280,000 TPA, Caustic Potash 21,000 TPA, Chloromethane's 50,000 TPA and Hydrogen peroxide 60,000 MT and increase in Coal Based - Captive Powder Plant capacity to 96 MW

- Manufacturing location is accessible to Global Markets through West Coast Sea Ports like Hazira, Nhava Sheva, Mundra, Dahej and Ankleshwar (ICD)

- The manufacturing facility is strengthened by highly experienced, skilled and dedicated team of 500+ professionals, which always helped in understanding requirements of clients properly and offering them solutions, without compromising the quality of products.

- MFL has completed one decade and during the journey has strengthened its roots in the Nation and Globally by delivering the most essential Products and Services, hence thereby fulfilling the demands with perfection.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Maulik Patel - Chairman & Managing Director Mr. Kaushal Soparkar - Managing Director Mr. Karana Patel - Executive Director Mr. Ankit Patel - Executive Director Mr. Darshan Patel - Executive Director Mr. Balkrishna Thakkar - Independent Director Mr. Manubhai Patel - Independent Director Ms. Nirali Parikh - Independent Director
AUDIT COMMITTEE	Mr. Manubhai Patel - Chairman Mr. Balkrishna Thakkar - Member Mr. Kaushal Soparkar - Member
NOMINATION & REMUNERATION COMMITTEE	Mr. Balkrishna Thakkar - Chairman Mr. Manubhai Patel - Member Mr. Maulik Patel - Member
COMPANY SECRETARY	Mr. K. D. Mehta
CHIEF FINANCIAL OFFICER	Mr. Sanjay Jain
REGISTERED OFFICE & PLANT LOCATION	Plot No.: CH1 / CH2, GIDC Industrial Estate, Dahej, Tal.: Vagara, Dist.: Bharuch 392 130, Gujarat, India.
CORPORATE OFFICE	“Meghmani House”, Behind Safal Profitaire, Corporate Road, Nr. Auda Garden, Prahlad Nagar, Ahmedabad - 380 015, Gujarat, India. helpdesk@meghmani.com

CORPORATE INFORMATION

PRINCIPAL BANKERS

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

Federal Bank Limited
11, Zodiac Square, Opp. Gurudwara,
SG Highway, Ahmedabad - 380 054 .

HDFC Bank Limited
Ground Floor, Astral Towers,
Nr. Mithakahali Six Road, Navrangpura,
Ahmedabad - 380 009.

Standard Chartered Bank
Abhijeet - II, Ground Floor,
Near Mithakhali Six Road,
Ahmedabad - 380006.

STATUTORY AUDITOR

S R B C & CO LLP
Assurance Services
2nd Floor, Shivalik Ishan,
Nr. C.N. Vidhyalaya,
Ambawadi, Ahmedabad – 380 015.

INTERNAL AUDITOR

C N K Khandwala & Associates
Chartered Accountants,
2nd Floor, “HRISHIKESH”,
Vasantbaug Society, Opp. Water Tank,
Gulbai Tekra, Ahmedabad - 380006.

DIRECTORS' REPORT

To,
The Members,
Meghmani Finechem Limited

Your Directors have pleasure in presenting Twelth Annual Report and Audited Financials Statement of Accounts of the Company for the **Financial Year ended on 31st March, 2019.**

FINANCIAL RESULTS

(Rs. in Lakhs)

PARTICULARS	YEAR ENDED ON 31st MARCH, 2019	YEAR ENDED ON 31st MARCH, 2018
Revenue from Operations (Net of Excise Duty)	71,039.30	59,751.75
Other Income	1,006.84	412.63
Total Revenue	**72,046.14**	**60,164.38**
Profit Before Finance Cost & Depreciation	**32,174.85**	**25,940.99**
Finance Cost	2,535.84	896.97
Depreciation	5,409.88	5,527.15
Profit Before Tax	**24,229.13**	**19,516.87**
Payment & Provision of Current Tax	7,773.83	5,651.87
Deferred Tax Expenses/(Income)	(1,837.66)	(439.84)
Short/ (Excess) Provision of Tax of earlier years	12.27	(1,242.61)
Profit After Tax	**18,280.69**	**15,547.45**

1. STATE OF COMPANY'S AFFAIRS

The Company is in the business of manufacturing of Caustic-Chlorine and Caustic Potash. This was one more excellent year of the performance where the Company registered remarkable growth in sales and achieved the profitability to set the new land mark. The operating results of the Company are given hereunder: -

1) REVENUE FROM OPERATIONS:-

The Revenue from Operations of the Company increased by **Rs. 11,287.55 Lakhs** i.e. from **Rs. 59,751.75 Lakhs** in FY 2018 to **Rs. 71,039.30 Lakhs** in FY 2019, mainly due to increase in sales quantity of Caustic Potash and higher ECU (Electro Chemical Unit) realization both for Caustic Lye and Caustic Potash.

2) OTHER INCOME :-

Other Income increased by **Rs. 594.21 Lakhs** i.e. from **Rs. 412.63 Lakhs** in FY 2018 to **Rs. 1,006.84 Lakhs** in FY 2019. The increase in other income mainly comprises of profit on sale of investment arising from redemption of Mutual Fund. The Company has redeemed its investments in Mutual Fund in FY 2018-19.

3) EARNING BEFORE INTEREST, TAX DEPRECIATION & AMORTIZATION (EBITDA):-

EBITDA has increased by **Rs. 6233.86 Lakhs** i.e. from **Rs. 25,940.99 Lakhs** in FY 2018 to **Rs. 32,174.85 Lakhs** FY 2019.

4) PROFIT BEFORE TAX (PBT): -

Profit before Tax (PBT) has increased by **Rs. 4,712.26 Lakhs** i.e. from **Rs. 19,516.87 Lakhs** in FY 2018 to **Rs. 24,229.13 Lakhs** in FY 2019. The reasons for increase in Profit are:-

(1) Increase in Revenue from Operations

(2) Higher ECU Realization

(3) Higher Capacity utilization of Caustic Potash and

(4) Increase in Other Income.

DIRECTORS' REPORT

The Profitability of the Company would have been better but for the certain following exceptional items :-

(1) Payment of dividend including tax to Non Convertible Redeemable Prefernce Shares (NCRPS) holders (Rs. 1,851.20 Lakhs)

(2) Payment of Success fees to Promoters (Rs. 1,500.00 Lakhs)

(3) Mark to Market provision for ECB Loan (Rs. 362.36 Lakhs)

2. SCHEME OF AMALGAMATION APPROVED BY NATIONAL COMPANY LAW TRIBUNAL (NCLT) AHMEDABAD BENCH

The National Company Law Tribunal (NCLT), Ahmedabad Bench on 11th February, 2019 approved the Composite Scheme of Arrangement in the nature of Amalgamation of Meghmani Agrochemicals Private Limited (MAPL) with Meghmani Finechem Limited (MFL or the Company) and restructure of Share Capital of the Company.

To give effect to the NCLT order the Company has: -

(1) Increased its Authorized Share Capital

(2) Amended Capital Clause of the Memorandum of Association

(3) Amended Object Clause of the Memorandum of Association

(4) Consolidated the Authorized Share Capital of the Company

(5) Paid the difference of amount of fees on the enhanced Authorized Capital

(6) Made the consequential reduction of Equity Share Capital

(7) Issued NCRPS and Optionally Convertible Redeemable Preference Shares (OCRPS)

3. DIVIDEND

Pursuant to the order of National Company Law Board, Ahmedabad Bench, the Company has paid Dividend of **Rs. 1,535.56 Lakhs** on 22,17,08,925, 8 % Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10/- each aggregating **Rs. 22,170.89 Lakhs.**

The Company in view of on-going expansion plan has decided not to recommend final dividend to Equity Shareholders for FY 2018-19.

4. INCREASE IN AUTHORIZED SHARE CAPITAL

Particulars	Date	Equity	Preference	Total
		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Authorized Share Capital	31.03.2018	7,500	2,500	10,000
Reclassification of Authorized Capital	-	8,000	2,000	10,000
Increase in Authorized Capital due to NCLT Order	11.02.2019	1,500	3,000	4,500
Total	-	**9,500**	**5,000**	**14,500**
Increase in Authorized Capital – Preference Shares	05.03.2019	-	40,263	40,263
As on 31.03.2019		**9,500**	**45,263**	**54,763**

DIRECTORS' REPORT

5. SHARE CAPITAL

During the year under review, the following changes in the Share Capital has taken place:-

Particulars	Rs. In Lakhs
Issued & Subscribed Share Capital	7,076
Issue of Share Warrant Shares	500
Total	7,576
Effect of NCLT order Reduction in Shares of MFL	3,457
Share Capital as on 31.03.2019	4,119

The Company has neither issued Equity Shares with differential rights as to dividend, voting or otherwise, nor issued / granted Employee Stock Options or Sweat Equity Shares to the Employees or Directors of the Company under any Scheme.

6. ISSUE OF PREFERENCE SHARES AND REDEMPTION OF NCRPS

As per the NCLT order the Company issued 221,708,925, 8% Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10/- each and 210,747,191 8% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10/- each to Meghmani Organics Limited.

During the year, the Company has redeemed 221,708,925, 8% Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10/- each at its face value.

7. FINANCIAL CLOSURE

To meet the finance requirement of the capital projects the Company has tie-up the financial closure of **Rs. 52,900 Lakhs** from (1) Federal Bank Limited **(Rs.12,500 Lakhs)** (2) Standard Chartered Bank **(Rs. 14,400 Lakhs)** (3) HDFC Bank Limited **(Rs. 26,000 Lakhs)**.

8. CREDIT RATING

The Company has been reaffirmed Long Term Rating **CRISIL A+ / Stable (Reaffirmed)** for its various bank facility of **Rs. 22,000 Lakhs** by CRISIL Limited (Rating Agency) vide its letter dated September 24, 2018.

9. 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 attached to this report as **"Annexure- A"**.

10. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

11. ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is attached to this report herewith as **"Annexure B"**.

12. MEETINGS OF BOARD

During the year, Nine Board meetings were convened and held respectively on 09/4/2018, 26/04/2018, 19/05/2018, 01/08/2018, 22/10/2018, 31/01/2019, 27/02/2019, 05/03/2019 and 08/03/2019 in respect of which proper notices were given and the proceedings were properly recorded and signed.

13. AUDIT COMMITTEE MEETING

The Audit Committee comprises of three members. During the year four Audit Committee meetings were convened and held on 19/05/2018, 01/08/2018, 22/10/2018 and 31/01/2019.

DIRECTORS' REPORT

14. 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.

15. PROJECT : UPDATES ON EXPANSION PLAN

Your Directors have pleasure to announce that Chloromethane Plant is expected to be commenced by July, 2019, Hydrogen Peroxide and Caustic Soda Expansion Plant by October, 2019.

The Company expects to get effective contribution in topline from above expansion for a period of 6 (Six) Months i.e. from October, 2019 to March, 2020.

16. INSURANCE :

The Company's Plant, Property, Equipment and Stocks are adequately insured under the Industrial All Risk (IAR) Policy.

The Company has insurance coverage for Product Liability, Public Liability and also has Directors' and Officers' Liability (D & O) Policy.

17. RELATED PARTY TRANSACTIONS (RPT) :

All related party transactions entered during the financial year was on an Arm's Length Basis and were in the ordinary course of business. The Company has not entered in to materially significant transactions with related parties, Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

During the year, all related party transactions were placed before the Audit Committee and also the Board for approval. The Company had obtained members' approval at its Annual General Meeting held on 16th July, 2018 for entering into the transactions with Related Parties for the period of 3 (Three) years i.e. from 01st October, 2018 till decided otherwise.

18. DIRECTORS :

Directors coming up for retirement by rotation :

In accordance with Section 149 (10) of the Companies Act, 2013, Mr. Darshan Patel and Mr. Maulik Patel, Director of the Company are retiring by rotation at this Annual General Meeting and being eligible have offered themselves for re-appointment.

Independent Directors :

In accordance with Section 149 (7) of the Companies Act, 2013, all Independent Director has given written declarations to the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

19. KEY MANAGERIAL PERSONNEL (KMP) :

Pursuant to Section 2 (51) and Section 203 of the Companies Act, 2013 read with Rules framed there under the following persons have been designated as Key Managerial Personnel (KMP) of the Company.

1. Mr. Kaushal Soparkar – CEO
2. Mr. Kamlesh Mehta – Company Secretary
3. Mr. Sanjay Jain – CFO

20. INTERNAL FINANCE CONTROL SYSTEM AND THEIR ADEQUACY :

The Company has in its place adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness in the design or operation of Internal Finance Control System was observed. As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their views on the adequacy of Internal Financial Control in their Audit Report.

DIRECTORS' REPORT

21. FIXED DEPOSITS :

The Company has not accepted the Fixed Deposits during the year under report.

22. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Company has formed a Corporate Social Responsibility (CSR), Committee and has identified projects in the areas of Kanya Kelwani Nidhi, Livelihood, Health, Agaria Kalyan Yojana and Vanvasi Kalyan Yojana. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The CSR amount for the Financial Year 2018-19 works out to **Rs. 239.07 Lakhs**. During the year the Company has spent an amount of **Rs. 0.16 Lakhs** towards the CSR activities.

The unspent CSR amount of **Rs. 345.62 Lakhs** till 31.03.2019 will be spent in the Financial Year 2019-20 and report thereof will be placed in the next Annual Report.

23. 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 of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment 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.

24. 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.

All the Executive Directors (i.e. Executive Chairman/MD/Whole-time Director) has been paid 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 Key Result Areas (KRAs) / Key performance Indicators (KPIs), industry benchmark and current compensation trends in the market.

DIRECTORS' REPORT

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY :

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

26. AUDITORS:

A) STATUTORY AUDITORS :

M/s. SRBC & Co LLP, Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E 300003) was appointed as Statutory Auditors at the Annual General Meeting held on 27th July, 2017 to hold office from the conclusion of 10th Annual General Meeting (AGM) till the conclusion of 15th AGM i.e. for a period of five years (subject to ratification of the appointment by the Members at every AGM held after this AGM).

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 2018-19 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 2018-19 on a remuneration of Rs.1,30,000/- 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.

Accordingly, a Resolution seeking Member's approval for the remuneration payable to M/s Koushalya V Melwani, Cost Accountants is included at Item No. 5 of the notice convening the Annual General Meeting.

27. DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanation obtained the Board hereby submits its responsibility Statement in accordance with the provisions of Section 134(5) of the Companies Act, 2013 :

a) In the preparation of the Annual Accounts for the year ended on 31st March, 2019, 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, 2019 and of the profit of the Company for the period ended on 31st March, 2019.

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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.

DIRECTORS' REPORT

28. 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 unstinted commitment and continued contribution of the Employee to the Company.

For and on behalf of the Board

Maulik Patel
Chairman & Managing Director
(DIN–02006947)

Date: 9th May, 2019
Place: Ahmedabad

ANNEXURE-A

CONSERVATION OF ENERGY :

A	Energy Conservation measure taken	• Auxiliary steam for Turbine Generator through Bleed • Sonic Soot Blower for Boiler No 3 • LED Light Installation • Ash recirculation in Boiler Furnace
B	Additional Investment implemented for reduction in consumption of energy.	• Rs. 275 Lakhs.
C	Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production.	• Reduction of 20 Kwh per ton of production
D	Total energy consumption and energy consumption per unit of production.	As per From A

FORM A

Form for disclosure of particulars with respect to conservation of Energy
1st April, 2018 to 31st March, 2019

Particulars		2018-2019	2017-2018
A. Power Consumption			
1 Electricity Consumption			
(a) Purchased			
Unit	KWH	2377656	6108720
Total Amount	Rs.	364.57 Lakhs	61.66 Lakhs
Rate/Unit	Rs.	15.33	10.02
(b) Own Generation			
Through Diesel Generator			
Unit	KWH	11200	19861
Unit per Liter of Diesel	KWH/Ltr	2.06	2.67
Cost/Unit	Rs.	29.44/unit	22.67/unit
(c) Through Coal			
Unit	KWH	445936727	443783295
Unit per kg of coal	KWH/ Kg of Coal	1.18	1.31
Coal Cost/Unit	Rs.	3.72/unit	2.98/unit
2 Coal			
Steam Generated	MT	2084331	2059621
Consumption of Coal	MT	377925	339113
Coal Cost of steam per unit (kg)	Rs.	0.80/unit	0.80/unit
Steam Purchase		-	-
3 Others/internal generations		-	-
B. Consumption per unit of Producation			
Production in MT		161473	161674
Consumption Per MT		2776	2745
Electricity (Rs./ MT)		15490	14137

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.	-
B	Benefits derived as a result of the above efforts e.g. Product Improvement, Cost Reduction, Product Development, Import Substitution etc.	-

Foreign Exchange Earnings and Outgo : as on 31st March 2019.

The particulars with regards to :

Foreign Exchange Earnings **Rs. 3,567.06 Lakhs**

Foreign Exchange Outgo **Rs.11,208.77 Lakhs**

For and on behalf of the Board

Maulik Patel
Chairman & Managing Director
(DIN–02006947)

Date: 9th May, 2019
Place: Ahmedabad

ANNEXURE- B

EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31.03.2019)

[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 Soda	20119	90.00
Caustic Potash	20119	10.00
Others	-	0.00

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(6)

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

Category Code	Category Of Share Holder	No. of Shares Held at the begining of the year				No. of Shares held at the end of the year				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**SHAREHOLDING OF PROMOTER & PROMOTER GROUP (2)**									
1	**INDIAN**									
(a)	INDIVIDUAL	4,170,873	-	4,170,873	5.89%	9,170,874	-	9,170,874	22.26%	16.37%
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(c)	BODIES CORPORATE	40,446,820	-	40,446,820	57.16%	23,545,985	-	23,545,985	57.16%	0.00%
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-
	DIRECTORS RELATIVES	8,476,256	-	8,476,256	11.98%	8,476,256	-	8,476,256	20.58%	8.60%
	SUB TOTAL : (A) 1	**53,093,949**	**-**	**53,093,949**	**75.03%**	**41,193,114**	**-**	**41,193,114**	**100%**	**24.97%**
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%**	**41,193,114**	**-**	**41,193,114**	**100%**	**24.97%**

Category Code	Category Of Share Holder	No. of Shares Held at the begining of the year				No. of Shares held at the end of the year				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	PUBLIC SHAREHOLDING (3)	-	-	-	-	-	-	-	-	-
1	INSTITUTIONS	-	-	-	-	-	-	-	-	-
(a)	MUTUAL FUNDS / UTI	-	-	-	-	-	-	-	-	-
(b)	FINANCIAL INSTITUTIONS / BANKS	-	17,666,050	17,666,050	24.97%	-	-	-	-	(24.97%)
(c)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(d)	VENTURE CAPITAL FUNDS	-	-	-	-	-	-	-	-	-
(e)	INSURANCE COMPANIES	-	-	-	-	-	-	-	-	-
(f)	FOREIGN INSTUTIONAL INVESTORS	-	-	-	-	-	-	-	-	-
(g)	FOREIGN VENTURE CAPITAL	-	-	-	-	-	-	-	-	-
(h)	QUALIFIED FOREIGN INVESTOR CORPORATE	-	-	-	-	-	-	-	-	-
(i)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (B) 1	**-**	**17,666,050**	**17,666,050**	**24.97%**	**-**	**-**	**-**	**-**	(24.97%)
2	**NON-INSTITUTIONS**	-	-	-	-	-	-	-	-	-
(a)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(b)	INDIVIDUAL (CAPITAL <= Rs. 1 LAKHS)	-	-	-	-	-	-	-	-	-
(c)	INDIVIDUAL (CAPITAL > Rs. 1 LAKHS)	-	-	-	-	-	-	-	-	-
(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)

Category Code	Category Of Share Holder	No. of Shares Held at the begining of the year				No. of Shares held 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%	-	-	-	-	(24.97%)
	TOTAL (A)+(B)	**-**	**70,759,999**	**70,759,999**	**100.00%**	**41,193,114**	**-**	**-**	**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%**	**41,193,114**	**-**	**41,193,114**	**100.00%**	**-**

(i) Shareholdings of Promoters

Shareholders Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change during the year
	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	
Jayantibhai Patel	632,414	0.89%	-	1,882,414	4.57%	-	3.68%
Ashish Soparkar	948,563	1.34%	-	2,198,563	5.34%	-	4.00%
Natwarlal Patel	977,305	1.38%	-	2,227,305	5.41%	-	4.03%
Rameshbhai Patel	632,414	0.89%	-	1,382,414	3.36%	-	2.47%
Anandbhai Patel	980,178	1.39%	-	1,480,178	3.59%	-	2.20%

(ii) Change in Promoter's Shareholding

Shareholding at the beginning of the year 01.04.2018			Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	Refer (i) Shareholding of Promoters			
Date wise Increase/ Decrease in Promoters Shareholding during the year with reasons for change				
At the end of the year				

(iii) 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 01.04.2018		Shareholding at the end of the year 31.03.2019	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
International Finance Corporation	17,666,050	24.97%	-	-
Meghmani Organic Limited	23,545,985	33.28%	235,45,985	57.16%
Meghmani Agrochemicals Private Limited	16,900,835	23.88%	-	-
Kalpanaben Patel	442,609	0.62%	442,609	1.07%
Disha Patel	344,890	0.49%	344,890	0.84%
Taraben Patel	316,150	0.45%	316,150	0.77%
Kruti Patel	316,150	0.45%	316,150	0.77%
Nayana Soparkar	316,150	0.45%	316,150	0.77%
Vaishakhi Patel	316,149	0.45%	316,149	0.77%
Bhartiben Patel	229,927	0.32%	229,927	0.56%
Deval Soparkar	158,190	0.22%	158,190	0.38%

VI. Remuneration of Directors and Key Managerial Personnel

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

Gross Salary	Maulik Patel	Kaushal Soparkar	Ankit Patel	Karana Patel	Darshan Patel	Total Amount (Rs. In Lakhs)
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	36.00	36.00	36.00	36.00	36.00	**180.00**
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	4.61	4.61	4.32	4.32	4.32	**22.18**
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
Stock Options	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission (as % of Profit)	-	-	-	-	-	-
Others (Performance Bonus)	600.00	600.00	600.00	360.00	240.00	**2400.00**
Total (A)	**640.61**	**640.61**	**640.32**	**400.32**	**280.32**	**2602.18**

Remuneration to other Non –Executive Independent Directors

Particulars of Remuneration	Name of Directors			Total Amount (Rs. In Lakhs)
	Mr. B T Thakkar	Mr. M. K. Patel	Ms Nirali Parikh	
Fees for attending Board/ Committee Meetings	2.25	2.75	1.50	6.50
Commission	-	-	-	
Others, Please Specify	-	-	-	
Total (B)	**2.25**	**2.75**	**1.50**	**6.50**

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 (Rs. In Lakhs)
Gross Salary			
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	-	34.82	34.82
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	0.00	0.00
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)	**-**	**34.82**	**34.82**

(iv) Shareholding of Directors and Key Managerial Personnel

For each of Directors and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding at the end of the year 31.03.2019	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Maulik Patel	1,897,012	2.68%	1,897,012	4.61%
Mr. Kaushal Soparkar	1,580,747	2.23%	1,580,747	3.84%
Mr. Ankit Patel	1,609,503	2.27%	1,609,503	3.91%
Mr. Karana Patel	505,954	0.72%	505,954	1.23%
Mr. Darshan Patel	94,960	0.13%	94,960	0.23%
Mr. Balkrishna Thakkar	-	-	-	-
Mr. Chinubhai Shah	-	-	-	-
Dr. Arvind Patel	-	-	-	-
Ms. Nirali Parikh	-	-	-	-
Mr. Kamlesh Mehta	-	-	-	-
Mr. Sanjay Jain	-	-	-	-

V. Indebtedness				**(Rs. in Lakhs)**
Indebtedness of the Company Including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,128.03	-	-	4,128.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.69	-	-	0.69
Total (i+ii+iii)	**4,128.72**	**-**	**-**	**4,128.72**
Change in Indebtedness during the financial year				
Addition	**39,184.05**	-	-	**39,184.05**
Reduction	4,578.72	-	-	4,578.72
Net Change	**34,605.33**	**-**	**-**	**34,605.33**
Indebtedness at the end of the financial year				
i) Principal Amount	38,734.05	-	-	38,734.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	346.53	-	-	346.53
Total (i+ii+iii)	**39,080.58**	**-**	**-**	**39,080.58**

VII. Penalties/ Punishment/ Compounding of Offences

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

* * * *

FORM NO.: MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31.03.2019

(As on the financial year ended 31.03.2019)

[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.CH/1/CH2,
GIDC Industrial Estate, Dahej,
Ta - Vagra, 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, 2019 ("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, 2019** 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;

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31.03.2019

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time; **(Not Applicable to the Company during the Audit Period) ;**
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; 2009 **(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 **(Not Applicable to the Company during the Audit Period) ;**
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period) ;**
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client 2009 **(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 followings :

i. The Listing Agreements entered into by the Company with Stock Exchanges **(Not Applicable to the Company during the Audit Period) ;**

ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from December, 2015) **(Not Applicable to the Company during the Audit Period) ;**

iii. Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India.

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

We further report that

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

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

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

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

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

1. Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity, other than Scheme of Arrangement.
2. Redemption/Buy Back of Securities.
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
4. Merger / Amalgamation / Reconstruction, other than Scheme of Arrangement.
5. Foreign Technical Collaborations.

For SHAH & ASSOCIATES
Company Secretaries
Kaushik Shah
Partner
FCS No 2420 CP No-1414

Date: 9th May, 2019
Place: Ahmedabad

ANNEXURE-A

(1) ENVIRONMENT PROTECTION ACT, 1986 & OTHER ENVIRONMENTAL LAWS
(2) THE GOODS AND SERVICES ACT, 2016
(3) INCOME TAX ACT, 1961
(4) PROFESSIONAL TAX
(5) NEGOTIABLE INSTRUMENT ACT
(6) THE FACTORIES ACT, 1948
(7) THE APPRENTICE ACT, 1961
(8) THE INDUSTRIAL DISPUTE ACT, 1947
(9) THE PAYMENT WAGES ACT, 1965
(10) THE PAYMENT OF BONUS ACT
(11) THE PAYMENT OF GRATUITY ACT
(12) THE MINIMUM WAGES ACT, 1946
(13) THE TRADE UNION ACT, 1926
(14) THE EMPLOYMENT EXCHANGE ACT 1952
(15) THE EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
(16) INDIAN STAMP ACT
(17) THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992
(18) CUSTOMS ACT, 1962

For SHAH & ASSOCIATES
Company Secretaries
Kaushik Shah
Partner
FCS No 2420 CP No-1414

Date: 9th May, 2019
Place: Ahmedabad

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MEGHMANI FINECHEM LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Meghmani Finechem Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the Ind AS Financial Statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Ind AS Financial Statements

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

INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note 38 to the Ind AS Financial Statements ;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
CHARTERED ACCOUNTANTS
ICAI Firm Registration Number: 324982E / E300003

per Sukrut Mehta,
Partner
Membership Number: 101974

Place : Ahmedabad
DATE : 9th MAY, 2019

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE OF MEGHMANI FINECHEM LIMITED FOR THE YEAR ENDED 31st MARCH, 2019.

i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a),(b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company. Further, in our opinion and according to the information and explanations given to us, since there are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of basic chemicals, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of custom, goods and service tax, professional tax, cess and other material statutory dues are generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) The dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount involved (Rs. in Lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Custom Act, 1962	Custom Duty	621.83	2012-13	CESTAT
The Finance Act (Service Tax), 1994	Service Tax	83.92	2011-12 to 2014-15	CESTAT, Departmental Authorities
Income Tax Act, 1961	Income Tax	40.86	2010-11	Commissioner of Income tax

* Net of amount paid under protest amounting to Rs. 8.10 Lakhs

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE OF MEGHMANI FINECHEM LIMITED FOR THE YEAR ENDED MARCH 31, 2019.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company did not have any due payable to debenture holders and government during the year.

ix. According to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised, though idle funds which were not required for immediate utilization have been gainfully invested in fixed deposits with banks. The maximum amount of idle funds invested during the year was Rs. 14,350 Lakhs, of which Rs 12,000 Lakhs was outstanding at the end of the year. The Company has not raised money by way of initial public offer, further public offer and debt instrument.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS Financial Statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
CHARTERED ACCOUNTANTS
ICAI Firm Registration Number: 324982E / E300003

per Sukrut Mehta,
Partner
Membership Number: 101974

Place : Ahmedabad
DATE : 9th MAY, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MEGHMANI FINECHEM LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to the Financial Statement of Meghmani Finechem Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to the financial statement

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

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MEGHMANI FINECHEM LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to the financial statement

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the financial statement and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
CHARTERED ACCOUNTANTS
ICAI Firm Registration Number: 324982E / E300003

per Sukrut Mehta,
Partner
Membership Number: 101974

Place : Ahmedabad
DATE : 9th MAY, 2019

BALANCE SHEET AS AT 31st MARCH 2019

(Rs. in Lakhs)

PARTICULARS	Note	31st March 2019	31st March 2018
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3.1	29,471.65	34,721.39
(b) Capital Work in Progress	3.2	46,824.83	7,880.26
(c) Other Intangible Assets	3.3	-	0.04
(d) Financial Assets			
(i) Others Financial Assets	4	485.47	470.61
(e) Non Current Tax Assets (Net)	33	28.06	751.78
(f) Income Tax Assets (Net)	5	348.40	49.77
(g) Other Non-Current Assets	6	1,831.07	4,540.55
Total Non-Current Assets		**78,989.48**	**48,414.40**
(2) Current Assets			
(a) Inventories	7	4,065.41	2,960.05
(b) Financial Assets			
(i) Investments	8	-	7,141.81
(ii) Trade Receivables	9	7,736.30	7,686.27
(iii) Cash and Cash Equivalents	10	12,921.38	7.31
(iv) Bank Balances other than (iii) above	11	-	500.99
(v) Loans	12	35.64	21.62
(vi) Other Financial Assets	13	107.37	124.94
(c) Other Current Assets	14	565.80	226.86
Total Current Assets		**25,431.90**	**18,669.85**
TOTAL ASSETS		**1,04,421.38**	**67,084.25**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	4119.31	7,076.00
(b) Instruements entirely Equity in nature	15	21,091.99	-
(c) Other Equity	16	24,065.81	44,656.82
Total Equity		**49,277.11**	**51,732.82**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	36,534.05	90.00
(ii) Other Financial Liabilities	18	781.31	-
(b) Provisions	19	111.57	26.11
Total Non Current Liabilities		**37,426.93**	**116.11**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	236.62	3,335.31
(ii) Trade Payables	21		
Total outstanding dues of Micro and Small Enterprise		85.86	38.34
Total outstanding dues of Creditors other than Micro and Small Enterprise		3,548.25	3,277.15
(iii) Other Financial Liabilities	22	13,603.18	7,833.71
(b) Other Current Liabilities	23	228.80	400.15
(c) Provisions	24	5.01	3.95
(d) Current Tax Liabilities(Net)	25	9.62	346.71
Total Current Liabilities		**17,717.34**	**15,235.32**
Total Liabilities		**55,144.27**	**15,351.43**
TOTAL EQUITY AND LIABILITIES		**1,04,421.38**	**67,084.25**
Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of these Financial Statements

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP
CHARTERED ACCOUNTANTS

ICAI Firm Regn. No. 324982E / E300003
per SUKRUT MEHTA
PARTNER

M. NO.: 101974
PLACE : AHMEDABAD
DATE : 9th MAY, 2019

SANJAY JAIN
CHIEF FINANCIAL OFFICER

K.D. MEHTA
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MEGHMANI FINECHEM LIMITED
(CIN U24100GJ2007PLC051717)

MAULIK PATEL
CHAIRMAN & MANAGING DIRECTOR
(DIN NO 02006947)

KAUSHAL SOPARKAR
MANAGING DIRECTOR
(DIN No. 01998162)

PLACE : AHMEDABAD
DATE : 9th MAY, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

PARTICULARS	Note	31st March 2019	31st March 2018
Revenue			
Revenue from Operations	26	71,039.30	61,489.26
Other Income	27	1,006.84	412.63
Total Income (A)		**72,046.14**	**61,901.89**
Expenses			
Cost of Materials Consumed	28	25,667.26	23,541.19
Changes in Inventories of Finished Goods	29	(131.82)	300.53
Excise Duty on Sales		-	1,737.51
Employee Benefits Expenses	30	4,717.81	3,606.31
Finance Costs	31	2,535.84	896.97
Depreciation and Amortization Expenses	3	5,409.88	5,527.15
Other Expenses	32	9,618.04	6,775.36
Total Expenses (B)		**47,817.01**	**42,385.02**
Profit Before Tax (C) = (A-B)		**24,229.13**	**19,516.87**
Tax expense:	33		
Current Tax		5,233.10	4,140.00
Adjustment of Tax relating to Earlier Periods		12.27	(1,242.61)
Deferred Tax		(1,837.66)	(439.84)
Utilisation of MAT Credit		2,540.73	1,511.87
Total Tax Expense (D)		**5,948.44**	**3,969.42**
Profit for the Year (E) = (C-D)		**18,280.69**	**15,547.45**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement gain/(loss) on Defined Benefit Plans		**(57.87)**	**7.95**
Income Tax Effect on above		**20.22**	**(2.78)**
Total Other Comprehensive Income / (Loss) for the Year, net of Tax (F)		**(37.65)**	**5.17**
Total Comprehensive Income for the Year (G) = (E+F)		**18,243.04**	**15,552.62**
Earnings Per Equity Share (Face Value Per Share - Rs. 10 Each) (In Rs.)			
Basic	34	25.09	21.97
Diluted		20.37	21.97
Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of these Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
CHARTERED ACCOUNTANTS
ICAI Firm Regn. No. 324982E / E300003

per SUKRUT MEHTA
PARTNER
M. NO.: 101974

SANJAY JAIN
CHIEF FINANCIAL OFFICER

K.D. MEHTA
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MEGHMANI FINECHEM LIMITED
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(DIN NO 02006947)

KAUSHAL SOPARKAR
MANAGING DIRECTOR
(DIN No. 01998162)

PLACE : AHMEDABAD
DATE : 9th MAY, 2019

PLACE : AHMEDABAD
DATE : 9th MAY, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
A. Cash Flow from Operating Activities		
Profit Before Taxation	24,229.13	19,516.87
Adjustment for :		
Depreciation and Amortisation Expenses	5,409.88	5,527.15
Dividend Income	(3.47)	(1.54)
Interest Income	(139.94)	(29.01)
Interest and Finance Charges	2,173.48	896.97
Mark to Market Loss on Derivative	781.31	42.05
Unrealised Foreign Exchange Loss/(Gain)	(504.41)	29.96
Profit on Sale of Property, Plant & Equipment	(0.16)	-
Profit on Sale of Mutual Fund	(585.83)	(369.86)
Sundry Balance Written back	(149.36)	6.67
Operating Profit before Working Capital changes	**31,210.62**	**25,619.26**
Adjustment for:		
(Increase) in Inventories	(1,105.36)	(144.88)
(Increase) in Trade Receivables	(50.03)	(3,247.52)
(Increase)/Decrease in Other Non Current Financial Assets	(10.47)	3.33
(Increase)/Decrease in Other Non Current Assets	-	115.91
(Increase)/Decrease in Other Current Financial Assets	98.21	(64.25)
(Increase)/Decrease in Other Current Assets	(338.94)	573.31
(Increase) in Short Term Loans and Advances	(14.02)	(15.15)
Increase in Trade Payables	404.08	1,444.35
Increase/(Decrease) in Long Term Provision	27.59	(2.68)
Increase in Other Current Financial Liabilities	1,964.55	2,024.50
(Decrease) in Other Current Liabilities	(171.34)	(16.50)
Increase in Short Term Provisions	1.06	2.58
Working Capital Changes	**805.33**	**673.00**
Cash Generated from Operation	**32,015.95**	**26,292.26**
Direct Taxes Paid (Net of Refund)	(5,881.09)	(3,802.91)
Net Cash from Operating Activities	**26,134.86**	**22,489.37**
B. Cash Flow from Investment Activities		
Proceed from Sale of Property, Plant & Equipment	2.50	98.76
Purchase of Property, Plant & Equipment	(30,263.96)	(12,346.74)
Fixed Deposits made	(83,976.30)	(2,914.18)
Fixed Deposits redeemed	84,400.00	2,400.00
Interest Received	376.65	20.98
Proceeds from Sale of Mutual Funds	33,730.72	7,329.92
Investment in Mutual Fund	(26,003.08)	(11,249.07)
Dividend Received	3.47	1.54
Net Cash (Used in) Investing Activities	**(21,730.00)**	**(16,658.80)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
C. Cash Flow from Financing Activities		
Interest and Finance Charges Paid	(904.99)	(901.50)
Proceeds from Long-Term Borrowing	39,613.00	-
Repayment of Long-Term Borrowing	(4,578.03)	(6,764.57)
Repayment of Short-Term Borrowing (Net)	(3,098.68)	1,834.27
Dividend paid on Preference Shares	(1,535.56)	-
Tax on Dividend paid on Preference Shares	(315.64)	-
Proceeds from issue of Share Capital	1,500.00	-
Redemption of Preference Shares	(22,170.89)	-
Net Cash (Used in) generated from Financing Activities	**8,509.21**	**(5,831.80)**
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	**12,914.07**	**(1.24)**
Cash and Cash Equivalent at the beginning of the year	**7.31**	**8.56**
Cash and Cash Equivalent at the end of the year	**12,921.38**	**7.31**
Cash and Cash Equivalent comprises as under		
Cash on Hand	0.92	1.55
Balance with Schedule Banks in Current Accounts	920.46	5.76
Deposits with Schedule Banks	12,000.00	-
Cash & Cash Equivalent at the end of the year (refer note 10)	**12,921.38**	**7.31**

Notes to the Cash Flow Statement for the Year ended on 31st March 2019

The Cash Flow Statement has been prepared as per Indirect Method in accordance with the Indian Accounting Standard - 7 on “Statement of Cash Flow" issued by the Institute of Chartered Accountants of India.

The accompanying Notes are an integral part of these Financial Statements.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
CHARTERED ACCOUNTANTS
ICAI Firm Regn. No. 324982E / E300003

per SUKRUT MEHTA
PARTNER
M. NO.: 101974

SANJAY JAIN
CHIEF FINANCIAL OFFICER

K.D. MEHTA
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MEGHMANI FINECHEM LIMITED
(CIN U24100GJ2007PLC051717)

MAULIK PATEL
CHAIRMAN & MANAGING DIRECTOR
(DIN NO 02006947)

KAUSHAL SOPARKAR
MANAGING DIRECTOR
(DIN No. 01998162)

PLACE : AHMEDABAD
DATE : 9th MAY, 2019

PLACE : AHMEDABAD
DATE : 9th MAY, 2019

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

(a) Equity Share Capital		
	(Refer Note 15)	
Particulars	**No. of Shares**	**Amount**
Equity share of Rs.10 each Issued, Subscribed and fully Paid up		
Balance as at 1st April 2017	**7,07,59,999**	**7,076.00**
Balance as at 31st March 2018	**7,07,59,999**	**7,076.00**
Issue of Equity Share Capital (refer note 42)	50,00,000	500.00
Shares cancelled pursuant to Scheme of Amalgamation (refer note 42)	(3,45,66,885)	(3,456.69)
Balance as at 31st March 2019	**4,11,93,114**	**4,119.31**

(Rs. in Lakhs)

(b) Instrument Entirely Equity in Nature		
	(Refer Note 15)	
Particulars	**No. of Shares**	**Amount**
8% Optionally Convertible Redeemable Preference Share of Rs.10/- Issued , Subscribed and Fully Paid up		
Balance as at 1st April 2017	**-**	**-**
Balance as at 31st March 2018	**-**	**-**
Shares issued pursuant to Scheme of Amalgamation (refer note 42)	21,09,19,871	21,091.99
Balance as at 31st March 2019	**21,09,19,871**	**21,091.99**

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

(C) Other Equity	Reserves & Surplus (Refer Note 16)				
Particulars	**Non Cash Capital Contribution from Holding Company**	**Securities Premium**	**Captial Reserve**	**Retained Earnings**	**Total Other Equity**
Balance at 1st April 2017	**51.59**	**14,142.00**	**-**	**14,902.48**	**29,096.07**
Profit for the Year	-	-	-	15,547.45	15,547.45
Other Comprehensive Income for the Year (net of taxes)	-	-	-	5.17	5.17
Total Comprehensive Income for the Year	**-**	**-**	**-**	**15,552.62**	**15,552.62**
Non Cash Capital contribution from Holding Company during the Year	8.13	-	-	-	8.13
Balance at 31st March 2018	**59.72**	**14,142.00**	**-**	**30,455.10**	**44,656.82**
Profit for the Year	-	-	-	18,280.69	18,280.69
Other Comprehensive Income for the Year (net of Taxes)	-	-	-	(37.65)	(37.65)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**18,243.04**	**18,243.04**
Premium received on issue of Equity Share Capital	-	1,000.00	-	-	1,000.00
Premium utilised pursuant to Scheme of Amalgamation (refer note 42)	-	(15,142.00)	-	-	(15,142.00)
Capital Reserve generated pursuant to Scheme of Amalgamation (refer note 42)	-	-	(24,694.08)	-	(24,694.08)
Non Cash Capital contribution from Holding Company during the Year	2.03	-	-	-	2.03
Balance as at 31st March 2019	**61.75**	**-**	**(24,694.08)**	**48,698.14**	**24,065.81**

Summary of Significant Accounting Policies
The accompanying Notes are an integral part of these Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
CHARTERED ACCOUNTANTS
ICAI Firm Regn. No. 324982E / E300003

per SUKRUT MEHTA
PARTNER
M. NO.: 101974

PLACE : AHMEDABAD
DATE : 09th MAY, 2019

SANJAY JAIN
CHIEF FINANCIAL OFFICER

K.D. MEHTA
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
MEGHMANI FINECHEM LIMITED
(CIN U24100GJ2007PLC051717)

MAULIK PATEL
CHAIRMAN & MANAGING DIRECTOR
(DIN NO 02006947)

KAUSHAL SOPARKAR
MANAGING DIRECTOR
(DIN No. 01998162)

PLACE : AHMEDABAD
DATE : 09th MAY, 2019

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

1 **Corporate Information**

Meghmani Finechem Limited (the Company) is a Public Company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. The registered office at Plot No.CH1, CH2, GIDC Industrial Estate, Dahej, Tal. Vagara, Dist. Bharuch 392 130 Gujarat, India. The Company is engaged in manufacturing and selling of Basic Chemical Products.

The Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 9th May 2019.

2 **Significant Accounting Policies**

2.1 **Basis for Preparation of Accounts**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

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

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

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

2.2 **Significant Accounting Estimates, Assumptions and Judgements**

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

Estimates and Assumptions

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

Taxes

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

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan’s assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent Actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 35 for details of the key assumptions used in determining the accounting for these plans.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Useful economic lives of Property, Plant and Equipment

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

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (e) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.4.

Impairment of Non- Financial Assets

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

2.3 Summary of Significant accounting policies

a. Current Vs. Non-Current classification:

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

An asset is treated as Current when it is:

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

A liability is treated as Current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as Non-Current Assets and Liabilities. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

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

b. Revenue Recognition

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

1) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the Customer, generally on dispatch/ delivery of the goods or terms as agreed with the Customer. The normal credit term is 30 to 90 days from the date of dispatch. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the Customer (if any).

i) Variable consideration

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

Volume Rebates : The Company provides retrospective volume rebates to certain customers once the quantity of product purchases during the period exceeds a threshold specified in the contract.

ii) Contract Assets

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

a) Trade Receivables

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

iii) Contract Liabilities

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

2) Interest Income

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

3) Export Incentives

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

4) Dividend

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

5) Insurance Claims

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

c Foreign Currencies

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

Transactions and Balances

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

d. Fair Value Measurement

The Company measures certain financial instruments at fair value at each Balance Sheet date.

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 41.

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

e. Property, Plant and Equipment

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

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

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

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

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

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

Asset	Estimated Useful life
Leasehold Land	99 Years
Building	30 Years
Plant & Machinery	15 Years
Power Generating Units	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other Equipments	5 Years

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

f. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortised over a period of 5 years.

g. Impairment of Non- Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

h. Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one Entity and a financial liability or Equity Instrument of another Entity.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(A) Financial Asset

Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Debt Instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at Fair Value Through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments

All Equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other Equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits, Trade Receivables and Bank Balance

b) Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these Financial Statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade Receivables :

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Loans and Borrowings, Payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of Loans and Borrowings and Payables, net of directly attributable transaction costs.

The Company's financial liabilities include Trade and Other Payables, Loans and Borrowings.

Subsequent measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value Through Profit and Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and Other Payables

These amounts represent liability for good and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and Other Payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Derivatives and Hedging Activities

The Company uses derivative financial instruments, such as Forward Currency Contracts and Currency Swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Off-setting Financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

i Inventories

Stores and Spares, Packing Materials and Raw Materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-Finished Products, Finished Products and By-Products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of Finished Goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Retirement and Other Employee Benefits

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

The Company has a Defined Benefit Gratuity Plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance Company in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Liabilities for Wages, Salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

I. Accounting For Taxes On Income

Tax Expense Comprises of Current Income Tax and Deferred Tax

Current Income Taxes

Current Income Tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current Income Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred Tax Liabilities are recognised for all taxable temporary differences, except:

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

In respect of taxable temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred Tax Assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the Deferred Tax Asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxable authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred Tax Assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Contingent Liabilities

Provisions are not recognised for future operating losses

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A Contingent Assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Financial Statements.

Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

o. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

p. Earning Per Share

Basic Earnings Per Share

Basic Earnings Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings Per Share

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

q. Cash And Cash Equivalents

Cash and Cash Equivalent in the Financial Statements comprise Cash at Banks and on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents consist of Cash and Short-Term Deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

r. Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general Corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

s. Business Combination

Amalgamation is accounted for under the Purchase Method. The Acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition, are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standards.

Excess of fair value of purchase consideration over the acquisition date fair value of identifiable assets acquired, liabilities assumed and own equity cancelled is recognised as debit balance of Capital Reserve as per the Scheme of Amalgamation approved by National Company Law Tribunal ('NCLT').

t. Dividend to Equity and Preference Shareholders of the Company

The Company recognises a liability for dividends to Equity Holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the Corporate laws in India, a dividend is authorised when it is approved by the Shareholders. A corresponding amount is recognised directly in Equity.

The Company recognises a liability for dividends to Preference Holders of the Company when the dividend is authorised by the Board of Directors. Dividend to Optionally Convertible / Redeemable Shareholders is recognised directly in Equity and dividend to Redeemable Preference Shareholders is recognised as finance cost (along with dividend tax there on)

u. New and Amended Standard

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its Customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with Customers and requires that revenue be recognised at an amount that reflects the consideration to which an Entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires Entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their Customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 is not material. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

v. **Standards Issued but not yet Effective**

Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The effect of this amendment on the financial statements of the Company is being evaluated.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

3 Property, Plant and Equipment as at 31st March 2019

(Rs. in Lakhs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	1st April, 2018	Addition	Deduction / Adjustment	31st March, 2019	1st April, 2018	For the Year	Deduction / Adjustment	31st March 2019	31st March, 2019	31st March, 2018
3.1 TANGIBLE ASSET										
Leasehold Land	1,189.21	-	-	1,189.21	39.21	13.07	-	52.28	1,136.93	1,150.00
Building	10,126.51	7.68	-	10,134.19	1,378.13	474.06	-	1,852.19	8,282.00	8,748.38
Plant & Machineries	26,672.08	3.58	-	26,675.66	11,728.08	4,278.23	-	16,006.31	10,669.35	14,944.00
Captive Power Plant & Equipments	11,321.03	74.02	-	11,395.05	1,769.94	588.35	-	2,358.29	9,036.76	9,551.09
Furnitures & Fixtures	267.66	2.92	-	270.58	54.28	27.81	-	82.09	188.49	213.38
Office Equipment	21.75	5.21	0.54	26.42	11.31	3.56	0.33	14.54	11.88	10.44
Vehicles	118.39	62.38	7.30	173.47	20.96	21.01	5.15	36.82	136.65	97.43
Computers	18.23	6.71	-	24.94	11.56	3.79	-	15.35	9.59	6.67
TOTAL (A)	**49,734.86**	**162.50**	**7.84**	**49,889.52**	**15,013.47**	**5,409.88**	**5.48**	**20,417.87**	**29,471.65**	**34,721.39**
3.2 INTANGIBLE ASSET										
GIDC Usage Rights	21.40	-	0.17	21.23	21.36	-	0.13	21.23	-	0.04
TOTAL (B)	**21.40**	**-**	**0.17**	**21.23**	**21.36**	**-**	**0.13**	**21.23**	**-**	**0.04**
TOTAL (A+B)	**49,756.26**	**162.50**	**8.01**	**49,910.75**	**15,034.83**	**5,409.88**	**5.61**	**20,439.10**	**29,471.65**	**34,721.43**

Notes:

During the Current Year exchange gain of Rs. Nil (31 March 2018: exchange gain of Rs. 22.21 Lakhs) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of Tangible Asset as at the year end aggregate to Rs. 277.48 Lakhs (31st March 2018: Rs. 576.65 Lakhs), in view of option given in para D13AA of Ind AS 101 on first time adoption of Ind AS.

3.2 Capital Work In Progress

(Rs. in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2018	7,880.26
Addition	39,021.70
Capitalisation	77.13
As at 31st March 2019	**46,824.83**

Capital Work in Progress as at 31st March 2019 comprises expenditure for Hydrogen Peroxide, Chloromethane and Caustic Soda Plants (including Captive Power Plants) in the course of construction. Total amount of Capital Work-in-Progress is Rs. 46,824.83 Lakhs (31st March 2018: Rs. 7,880.26 Lakhs). The amount of borrowing costs added to cost of Capital Work-in-Progress during the year ended 31st March 2019 was Rs. 711.83 Lakhs (31st March 2018 : Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

3 Property, Plant and Equipment as at 31st March 2018

(Rs. in Lakhs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	1st April, 2017	Addition	Deduction / Adjustment	31st March, 2018	1st April, 2017	For the Year	Deduction / Adjustment	31st March 2018	31st March, 2018	31st March, 2017
3.1 TANGIBLE ASSET										
Lease hold Land	1,189.21	-	-	1,189.21	26.14	13.07	-	39.21	1,150.00	1,163.07
Building	10,101.72	24.79	-	10,126.51	904.82	473.31	-	1,378.13	8,748.38	9,196.90
Plant & Machineries.	26,766.76	443.66	538.34	26,672.08	7,756.43	4,408.44	436.79	11,728.08	14,944.00	19,010.33
Captive Power Plant & Equipments	11,319.03	2.00	-	11,321.03	1,184.32	585.62	-	1,769.94	9,551.09	10,134.71
Furnitures & Fixtures	258.88	8.78	-	267.66	24.19	30.09	-	54.28	213.38	234.69
Office Equipment	19.27	2.48	-	21.75	7.43	3.88	-	11.31	10.44	11.84
Vehicles	49.70	76.23	7.54	118.39	16.03	8.60	3.67	20.96	97.43	33.67
Computers	15.81	2.42	-	18.23	7.42	4.15	-	11.56	6.67	8.39
TOTAL (A)	**49,720.38**	**560.36**	**545.88**	**49,734.86**	**9,926.78**	**5,527.15**	**440.46**	**15,013.47**	**34,721.39**	**39,793.60**
3.2 INTANGIBLE ASSET										
GIDC Usage Rights	21.40	-	-	21.40	21.36	-	-	21.36	0.04	0.04
TOTAL (B)	**21.40**	**-**	**-**	**21.40**	**21.36**	**-**	**-**	**21.36**	**0.04**	**0.04**
TOTAL (A+B)	**49,741.78**	**560.36**	**545.88**	**49,756.26**	**9,948.14**	**5,527.15**	**440.46**	**15,034.83**	**34,721.43**	**39,793.64**

Notes:

During the 31st March 2018 exchange gain of Rs. 22.21 Lakhs (31st March 2017: Rs. 480.57 Lakhs) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipments has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to Rs. 576.65 Lakhs (31st March 2017: Rs. 243.51 Lakhs), in view of option given in para D13AA of Ind AS 101 on first time adoption of Ind AS.

3.2 Capital Work In Progress

(Rs. in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2017	309.42
Addition	7,615.71
Capitalisation	44.87
As at 31st March 2018	**7,880.26**

Capital Work-in-Progress for tangible assets as at 31st March 2018 comprises expenditure for the Plant and Building in the course of construction.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

4. Other Financial Assets (Non-Current) **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Security Deposits	159.53	149.06
Bank Deposits with original maturity of more than 12 months (including interest accrued) (Refer Note below)	325.94	321.55
Total	**485.47**	**470.61**

Margin money deposits amounting Rs. 325.94 Lakhs (31 March 2018: Rs. 321.55 Lakhs) are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 6.70% to 6.85%.

5 Income Tax Assets (Net) **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Advance payment of Income Tax (Net of Provision)	348.40	49.77
Total	**348.40**	**49.77**

6 Other Non-Current Assets **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Unsecured, Considered Good		
Capital Advances	1,769.87	4,479.35
Balance with Government Authorities (Amount paid Under Protest)	61.20	61.20
Total	**1,831.07**	**4,540.55**

7 Inventories (valued at lower of cost or net realisable value) **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Raw Materials	2,185.48	1,387.78
Finished Goods	307.24	232.18
Finished Goods In Transit	56.76	-
Consumable Stores and Spares	1,478.14	1,322.85
Others (Packing Materials)	37.79	17.24
Total	**4,065.41**	**2,960.05**

8 Investments **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Investment at Fair Value Through Profit and Loss (FVTPL)		
Investment in Units of Mutual Funds (quoted) (Refer Note below)	-	7,141.81
Total	**-**	**7,141.81**
Aggregate amount of Quoted Investments and Market Value thereof	-	7,141.81

Note: Details of Investments

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Kotak Equity Arbitrage Fund	-	3,146.96
Edelweiss Arbitrage Fund	-	3,994.85
Total	**-**	**7,141.81**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

9 Trade Receivables

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Trade Receivables		
Secured, Considered Good	194.02	172.73
Unsecured, Considered Good	7,542.28	7,513.54
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
Total	**7,736.30**	**7,686.27**
Impairment Allowance (allowance for Bad and Doubtful debts)		
Unsecured, Considered Good	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
Total	**7,736.30**	**7,686.27**

Trade Receivable are secured to the extend of deposit received from the Customers.
Trade Receivables are non interest bearing and generally have credit period of 30-90 days.
For amount due and terms and conditions relating to related party, please Refer Note 36
For information about Credit Risk and Market Risk related to Trade Receivables, please Refer Note 41.

10 Cash and Cash Equivalents

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Balance with Banks		
- On Current Accounts	920.46	5.76
- Deposits with original maturity of less than three months (Refer Note below)	12,000.00	-
Cash on Hand	0.92	1.55
Total	**12,921.38**	**7.31**

Deposits are made for varying periods of between 60 days to 90 days and earn interest ranging between 6.90% to 7.75%.

11 Other Bank Balances

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Balance with Banks		
- Deposits with original maturity of more than 3 months but less than 12 months (Refer Note below)	-	500.99
Total	**-**	**500.99**

Deposits are made for 6 months and earn interest of 7.30%.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

12 Loans **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Unsecured, Considered Good		
Loans to Employees (Refer Note below)	35.64	21.62
Total	**35.64**	**21.62**

Loans to Employees are interest free and generally given for tenure of 6 to 12 months

Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loan in other catagories as required by Schedule III of Companies Act 2013 viz: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impared is not applicable.

13 Other Financial Assets (Current) **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Unsecured, Considered Good		
Export Benefits Receivables	0.41	2.23
Insurance Claim Receivable	-	96.39
Security Deposits	26.32	26.32
Interest Accrued on Deposits with original maturity of less than three months	80.64	-
Total	**107.37**	**124.94**

14 Other Current Assets **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Unsecured, Considered Good		
Prepaid Expenses	50.05	39.05
Export Benefits Receivables	63.96	79.48
Balances with Government Authorities (refer note below)	398.32	71.35
Advance to Employees	6.06	1.81
Advances to Suppliers	47.41	35.17
Total	**565.80**	**226.86**

Balance with Government Authorities include VAT / Cenvat /Service Tax Credit Receivable.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

15. Share Capital **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
AUTHORISED SHARE CAPITAL		
Equity Share of Rs.10 each		
75,000,000 Equity Shares (31st March 2018: 75,000,000) each Share of Rs.10/-	7,500.00	7,500.00
Increase in Authorised Share Capital during the Year* [5,000,000 Equity Shares (31st March 2018: Nil) each Share of Rs. 10/-]	500.00	-
Increase in Authorised Share Capital Pursuant to Scheme of Amalgamation (Refer Note 42) [15,000,000 Equity Shares (31st March 2018: Nil) each Share of Rs. 10/-]	1,500.00	-
Total Equity Share Capital [95,000,000 Equity Shares (31st March 2018: 75,000,000) each Share of Rs. 10/-]	**9,500.00**	**7,500.00**
Preference Shares of Rs. 100 each		
2,500,000 Preference Shares (31st March 2018: 2,500,000) each Share of Rs.100/-	2,500.00	2,500.00
Reduction in Authorized Share Capital* [500,000 Preference Share (31st March 2018: Nil) each Share of Rs. 100/-]	(500.00)	-
Total Preference Share Capital [2,000,000 Preference Shares (31st March 2018: 2,500,000) each Share of Rs. 100 /-]	**2,000.00**	**2,500.00**
Preference Shares of Rs. 10 each		
Increase in Authorised Share Capital Pursuant to Scheme of Amalgamation (Refer Note 42) [30,000,000 Preference Shares (31st March 2018: Nil) each Share of Rs. 10/-]	3,000.00	-
Increase in Authorised Share Capital during the Year [402,628,796 Preference Shares (31st March 2018: Nil) each Share of Rs. 10/-]	40,262.88	-
Preference Share Capital [432,628,796 Preference Shares (31st March 2018: Nil) each Share of Rs. 10 /-]	**43,262.88**	**-**
Total Authorised Capital	**54,762.88**	**10,000.00**

*Authorised Share Capital has been transferred from Preference Shares of Rs. 100 each to Equity Share of Rs. 10 each as approved by the shareholders in Extraordinary General Meeting (EGM) dated 9th April 2018. The Company has filed Form MGT-14 for change in Authorised Share Capital with Ministry of Corporate Affairs dated 21st April 2018.

(Rs. in Lakhs)

ISSUED, SUBSCRIBED & PAID UP		
Equity Share Capital		
41,193,114 Equity Shares (31st March 2018: 70,759,999) each Share of Rs. 10 /- Fully Paid Up	4,119.31	7,076.00
Total	**4,119.31**	**7,076.00**
Instrument entirely Equity in Nature (Preference Share Capital)		
210,919,871 8% Optionally Convertible Redeemable Preference Share (31st March 2018: NIL) each Share of Rs. 10 /- Fully Paid Up	21,091.99	-
Total	**21,091.99**	**-**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

Reconciliation of No. of Shares

PARTICULAR	31st March 2019	31st March 2018
Equity Share Capital		
At the beginning of the Year	7,07,59,999	7,07,59,999
Issue of Equity Share Capital	50,00,000	-
Shares cancelled pursuant to Scheme of Amalgamation (Refer Note 42)	(3,45,66,885)	-
Closing at the end of the Year	**4,11,93,114**	**7,07,59,999**
Instrument entirely Equity in Nature (Preference Share Capital)		
At the beginning of the Year	-	-
Shares issued pursuant to Scheme of Amalgamation (Refer Note 42)	21,09,19,871	-
Closing at the end of the Year	**21,09,19,871**	**-**

Equity Share :

The Company has one class of Equity Shares par value of Rs.10 per share. Each equity shareholder is entitled to one vote per share. All Equity Shareholders have equal dividend rights. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to recieve the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

Optionally Convertible Redeemable Preference Share ('OCRPS')

Each Optionally Convertible Redeemable Preference Share has par value of Rs.10 per share and is convertible at the option of the Company. Incase, redemption does not happen within 20 years, it will be compulsorily converted into 10 Equity Shares for every 125 OCRPS. The Preference Shares carry a dividend of 8% per annum, payable subject to approval of Board of Directors of the Company. The dividend rights are non-cumulative.

Considering all the rights of conversion / redemption and dividend declaration are in the hands of Company, same is classified as Equity in nature and disclosed as 'Instrument entirely Equity in nature'. The Preference Shares rank ahead of the Equity Shares in the event of a liquidation.

Shares held by the Holding Company **(Rs. in Lakhs)**

Name of the Shareholder	31st March 2019	31st March 2018
Meghmani Organics Limited		
23,545,985 (31st March 2018: 23,545,985) Equity Shares	2,354.60	2,354.60
210,919,871 (31st March 2018: Nil) Optionally Convertible Redeemable Preference Share	21,091.99	-

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

Details of Shareholding (more than 5% Equity Shares)

PARTICULAR	31 March 2019	31 March 2018
Number of Shares held by		
(a) Meghmani Organics Limited (Holding Company) ('MOL')	2,35,45,985	2,35,45,985
% of Share held	57.16%	33.28%
(b) Meghmani Agrochemical Pvt Limited (WOS of MOL)	-	1,69,00,835
% of Share held	-	23.88%
(c) International Finance Corporation	-	1,76,66,050
% of Share held	-	24.97%
(d) Natwarlal Patel	22,27,305	9,77,305
% of Share held	5.41%	1.38%
(e) Ashish Soparkar	21,98,563	9,48,563
% of Share held	5.34%	1.34%
Optionally Convertible Redeemable Preference Share		
(a) Meghmani Organics Limited (Holding Company) ('MOL')	21,09,19,871	-
% of Share held	100%	-

As per records of the Company, including its register of shareholder / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No dividend has been proposed / declared on Equity and OCRPS during the year.

16 Other Equity **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Security Premium		
Balance as at the beginning of the Year	14,142.00	14,142.00
Premium received on issue of Equity Share Capital (Refer Note 42)	1,000.00	-
Premium utilised pursuant to Scheme of Amalgamation (Refer Note 42)	(15,142.00)	-
Balance as at the end of the Year	**-**	**14,142.00**
Reserves on Account of Non Cash Contribution From Shareholder		
Balance as at the beginning of the Year	59.72	51.59
Addition for the Year	2.03	8.13
Balance as at the end of the Year	**61.75**	**59.72**
Capital Reserve		
Balance as at the beginning of the Year	-	-
Capital Reserve generated pursuant to Scheme of Amalgamation (Refer Note 42)	(24,694.08)	-
Balance as at the end of the Year	**(24,694.08)**	**-**
Retained Earnings		
Balance as at the beginning of the Year	30,455.10	14,902.48
Profit for the Year	18,280.69	15,547.45
Other Comprehensive Income for the Year	(37.65)	5.17
Balance as at the end of the Year	**48,698.14**	**30,455.10**
Total	**24,065.81**	**44,656.82**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

Nature and purpose of Reserves:

Securities Premium

Securities Premium is used to record the premium on issue of shares. The Reserve can be utilised only for limited purposes such as issuance of bonus shares, buy back of shares in accordance with the provisions of the Companies Act, 2013.

Reserves On Account Of Non Cash Contribution From Shareholder

Adjustment on account of Non Cash Capital Contribution from the Holding Company is on account of the notional charges for Corporate Guarantee provided by the Holding Company.

Capital Reserve

The debit balance in Capital Reserve represents difference between amount of consideration over the value of Net Assets acquired as defined in Clause 13.5 of the Scheme of Amalgamation (Refer Note 42)

17 Borrowings **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Term Loan Facilities from Banks (Refer Note below):		
Indian Rupee loan (Secured) (Refer Note below)	22,553.00	90.00
Foreign Currency Loan (Secured) (Refer Note below)	13,981.05	-
Redeemable Preference Shares (Refer Note 42)	22,170.89	-
Less: Shares redeemed during the year (Refer Note 42)	(22,170.89)	-
Total Non-Current Borrowing	**36,534.05**	**90.00**
[Refer Note 22 for Current Maturities of Term Loan from Banks and Financial Institutions Rs. 2200.00 Lakhs (31st March, 2018 Rs. 4002.74 Lakhs]		
The above amounts includes:		
Secured Borrowing	**36,534.05**	**90.00**
Unsecured Borrowing	**-**	**-**

Refer Note - 41 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

(i) The Company has taken External Commercial Borrowing of Euro 180.00 Lakhs from Standard Chartered Bank for Capital Expansion purpose. Outstanding balance for this borrowing is Euro 180.00 Lakhs equivalent to Rs. 13,981.05 Lakhs (31st March 2018 : NIL). The borrowing is Secured by first pari passu mortgage charge on all immovable properties of the Company, first pari passu hypothecation charge over all the moveable assets of the Company.

The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests. The Company has entered into Interest Rate Swap ('IRS') agreement with the bank to fixed interest rate @ 1.85% p.a. and hedging of the foreign exchange rate whereby the Company will pay additional interest @ 4.95% p.a. The effective interest rate after considering basic interest rate and interest for hedging is @ 6.8%.

The borrowing is repayable in 15 quarterly installments of Euro 12 Lakhs each, starting from 3rd July 2020.

(ii) The Company has availed following Rupee Loan facilities:

(1) Term Loan amounting Rs. 11,000.00 Lakhs from HDFC Bank Limited for capital expenditure towards setting up of Chloromethane Plant. Outstanding balance for this facility is Rs. 10,450.00 Lakhs (31st March 2018: Rs. 100.00 Lakhs).

The borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate is 8.40% (31st March 2018: 8.25%).

The Term Loan is repayable in 20 quarterly installments of Rs 550.00 Lakhs each and repayment started from 9th March 2019.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

(2) Term loan amounting Rs.15,000.00 Lakhs from HDFC Bank Limited for capital expenditure towards setting up of Caustic Soda Plant and 36 MW Power Plant.

Outstanding balance for this facility is Rs.7,500.00 Lakhs (31st March 2018: Nil).

The borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest.The effective interest rate is 8.75% (31st March 2018: NIL).

The Term Loan is repayable in 18 quarterly installments of Rs. 833.33 Lakhs each starting from 30th September 2020.

(3) Term Loan amounting Rs. 12,500.00 Lakhs from Federal Bank Limited for capital expenditure towards setting up of Hydrogen Peroxide Plant. Outstanding balance for this facility is Rs. 6,803.00 Lakhs (31st March 2018: Nil).

The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate is 8.25% (31st March 2018: NIL).

The Term Loan is repayable in 19 quarterly installments of Rs. 657.89 Lakhs each starting from 28th June, 2020.

(4) The Rupee Term Loan facilities are Secured by first pari passu mortgage charge of all immovable properties of the Company, first pari passu hypothecation charge over all the moveable assets of the Company and Intangibles including Goodwill, Revenues of whatsoever nature and uncalled Capital of the Company, both present and future.

(iii) ICICI Bank Limited has refinanced Term Loan of Rs. 22,000.00 Lakhs. The entire facility of Rs. 22,000.00 Lakhs has been secured by, Deed of Hypothecation dated 30th January, 2012, on the whole of movable properties of the Company, including its movable Plant & Machinery, Machinery Spares, Tools, Accessories and 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 1 Year MCLR +1.42% (i.e. 8.20%+1.42%) p.a The effective interest rate is 9.62% (31st March 2018: 9.62%).

The repayment of this loan has started from March 2012. During the year, entire outstanding loan has been repaid on 15th June 2018. Outstanding balance for this term loan is Nil.

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 Rs. 22,000.00 Lakhs of ICICI Bank.

(iv) The Company is in the process of executing an Indenture of Mortgage with Lenders of these term loans (Secured Parties) for creating mortgages on Immovable Properties of the Company by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the Company, both present and future.

(v) Bank loans availed by the Company are subject to certain covenants relating to interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and return on fixed assets. The Company has complied with the covenants as per the terms of the loan agreements.

18 Others Financial Liabilities **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Mark to market Derivative Liabilities (on Interest Rate Swap and Cross Currency Swap valued at Fair Value Through Profit and Loss)	781.31	-
Total	**781.31**	**-**

19 Provisions **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Provision for Employee Benefits		
Gratuity (Refer Note 35)	67.64	9.54
Compensated Absences	43.93	16.57
Total	**111.57**	**26.11**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

20 Borrowings **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / Overdraft Facility from Banks (Refer Note below)	236.62	3,335.31
Total	**236.62**	**3,335.31**

Note :

The Company has availed Working Capital Facility of Rs.13,350.00 Lakhs (31st March 2018:Rs. 7000 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited Rs. 7,100.00 Lakhs, Standard Chartered Bank Rs. 3,000.00 Lakhs and HDFC Bank Ltd. Rs. 3,250.00 Lakhs.

The entire facility is Secured by first pari passu charge on all the Current Assets of the Company, both present and future.

Rate of interest stipulated by ICICI Bank Limited is sum of I-base and "Spread" per annum, subject to minimum rate of 6 Month MCLR +0.9% p.a. plus applicable interest taxes or other statutory levy, if any, on the principal amount remains outstanding each day.

Interest rate for the year ranges between 9.5% to 9.65% (31st March 2018: 9.7%).

Rate of interest stipulated by Standard Chartered Bank is MCLR + applicable margin. Interest rate for the year ranges between 9.35% to 9.45% (31st March 2018: 10% to 10.15%).

Rate of interest stipulated by HDFC Bank Limited is as per prevailing 1 year MCLR +spread (to be decided).

Interest rate for the ranges between @ 9.3% to 9.45% (31st March 2018: 9.5% to 9.7%).

The Company is in the process of filing requisite forms with Ministry of Corporate Affairs for creating of first pari passu hypothecation charge over all the Current Assets for additional facilities sanctioned during the year.

Bank loans availed by the Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Fixed Assets. The Company has complied with the covenants as per the terms of the loan agreements.

21 Trade Payables **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Total outstanding dues of Micro Enterprise and Small Enterprise (Refer Note 39)	85.86	38.34
Total outstanding dues of Creditors other than Micro Enterprise and Small Enterprise	3,548.25	3,277.15
Total	**3,634.11**	**3,315.49**

Terms and Conditions of the above Outstanding Dues :

Trade Payables are non-interest bearing and are normally settled on 90-360 days terms. For amounts due to related parties and terms and conditions with Related Parties, Refer Note 36 and 41 for Company's Credit Risk management processes.

22 Other Financial Liabilities **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Financial Liabilities carried at Amortised Cost		
Current Maturities of Long-Term Debt (Refer Note 17)	2,200.00	4,002.74
Interest Accrued but not due on Borrowing	346.53	0.69
Capital Creditors	5,626.09	364.28
Security Deposits Payable	375.00	355.00
Interest as per MSMEDA, 2006 (Refer Note 39)	12.84	9.67
Employee Benefits Payable	2,562.79	1,797.56
Expenses Payable	2,479.93	1,303.77
Total	**13,603.18**	**7,833.71**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

23 Other Current Liabilities **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Advances from Customers	124.34	67.66
Statutory Dues Payables	104.46	332.49
Total	**228.80**	**400.15**

24 Provisions **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Provision for Employee Benefits		
Compensated Absences	5.01	3.95
Total	**5.01**	**3.95**

25 Current Tax Liabilities (Net) **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Current Tax Payable (net)	9.62	346.71
Total	**9.62**	**346.71**

26 Revenue from Operations **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Sales of Products	**71,006.80**	**61,448.40**
Other Operating Revenue		
Export Benefits and Other Incentives	31.40	39.76
Scrap Sales	1.10	1.10
Total Other Operating Revenue	**32.50**	**40.86**
Total	**71,039.30**	**61,489.26**

26.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from Contracts with Customers: **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Type of Goods or Service		
Basic Chemicals	71,006.80	61,448.40
Total Revenue from contracts with Customers	**71,006.80**	**61,448.40**
Geographical location of Customer		
India	69,988.26	60,154.03
Outside india	1,018.54	1,294.37
Total Revenue from contracts with Customers	**71,006.80**	**61,448.40**
Timing of Revenue Recognition		
Goods transferred at a point in time	71,006.80	61,448.40
Total Revenue from contracts with Customers	**71,006.80**	**61,448.40**

Sale of products includes excise duty collected from Customers of Rs. Nil (31st March 2018: Rs.1,737.51 Lakhs). Sale of Basic Chemical net of excise duty is Rs. 71,006.80 Lakhs (31st March 2018: Rs. 59,710.89 Lakhs). Revenue from Operations for previous periods up to 30th June 2017 includes excise duty. From 1st July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from Operations. In view of the aforesaid change in indirect taxes, Revenue from Operations year ended 31st March 2019 is not comparable to 31st March 2018.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

26.2 Contract Assets and Contract Liabilities

The Company has recognised the following Revenue-related Contract Asset and Liabilities **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Trade Receivables	7,736.30	7,686.27
Advance from Customers	124.34	67.66

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.
Trade Receivable are secured to the extend of deposit received from the Customers.
There is no significant movement during the year. Contract Liabilities includes Short Term Advance received from Customers towards Sale of Products.
There is no significant movement during the year.

26.3 Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted price

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Revenue as per contracted price	72,801.71	68,581.35
Adjustments		
Sale Returns	(75.92)	-
Trade Discount & Quantity Rebate	(1,105.90)	(19.54)
Cash Discount	(237.62)	(6,735.41)
Sales Commission	(375.46)	(378.00)
Revenue from contract with Customers	**71,006.80**	**61,448.40**

26.4 Perfomance Obligation

The performance obligation is satisfied upon dispatch of Goods from the Company's premises / delivery of Goods to the Customer in accordance with the terms of contract with Customer and payment is generally due within 30 to 90 days from date of dispatch of Goods.

26.5 Information about Major Customers

No single Customer represents 10% or more of the Company's total Revenue during the year ended 31st March 2019 and 31st March 2018

27 Other Income

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Interest Income on		
- Bank Deposit	138.08	27.63
- Other	1.87	1.38
Dividend Income	3.47	1.54
Net gain on Sale of Mutual Funds	585.83	369.86
Net gain on Foreign Currency Transactions (net)	127.81	12.22
Profit On Sale of Property, Plant and Equipment	0.42	-
Sundry Balance Written back	149.36	-
Total	**1,006.84**	**412.63**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

28 Cost of Materials Consumed **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Basic Chemicals	25,667.26	23,541.19
Total	**25,667.26**	**23,541.19**

29 Change In Inventories Of Finished Goods **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Inventories at the beginning of the Year	232.18	532.71
Total (A)	**232.18**	**532.71**
Inventories at the end of the Year	364.00	232.18
Total (B)	**364.00**	**232.18**
Changes in Inventories (A-B)	**(131.82)**	**300.53**

30 Employee Benefit Expenses **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Salaries and Wages	1,866.98	1,403.08
Director Remuneration (Refer Note 36)	2,580.00	1,979.00
Contribution to Provident and Other Funds (Refer Note 35)	121.80	99.93
Staff Welfare Expenses	149.03	124.30
Total	**4,717.81**	**3,606.31**

31 Finance Costs **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Interest Expense on :		
- Term Loan	81.75	686.22
- Cash Credit and Working Capital Demand Loan	48.26	23.50
- MSMED Payable (Refer Note 39)	3.17	0.39
- Others	118.18	64.37
Dividend on Non Convertible Redeemable Preference Shares (including Dividend Distribution Tax) (Refer Note 42)	1,851.20	-
Loss on Derivative Instruments	781.31	-
Exchange gain on restatement of External Commercial Borrowing (ECB)	(418.95)	-
Other Borrowing Costs (includes Bank Charges, etc.)	70.92	122.49
Total	**2,535.84**	**896.97**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

32 Other Expenses **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Consumption of Stores and Spares	1,032.78	698.37
Consumption of Packing Materials	327.68	317.42
Repairs and Maintenance:		
- Buildings	73.40	31.21
- Plant and Machinery	431.80	257.12
Rent (Refer Note i below)	88.07	85.91
Rates and Taxes	689.80	48.88
Insurance	164.78	121.86
Power and Fuel	367.86	621.07
Electricity Duty on Power Generation	1,446.89	1,421.94
Renewal Purchase Obligation	567.51	404.91
Contract Labour Charges	684.77	672.26
Success Fees to Promoters (Refer Note 42)	1,500.00	-
Selling and Promotion Expenses	676.41	196.36
Loss on Sale of Property, Plant and Equipment	0.26	6.67
Water Charges	930.85	1,045.67
Expenditure towards Corporate Social Responsibility (Refer Note ii below)	0.17	296.10
Payments to the Auditors (Refer Note - iii below)	16.39	14.00
Miscellaneous Expenses	618.62	535.61
Total	**9,618.04**	**6,775.36**

Notes :

i) The Company has entered into Lease Rent agreement for Office Premises. The Leasing agreement is cancellable, and renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Lease payment recognised in the Statement of Profit and Loss for the year amounts to Rs. 88.07 Lakhs (31st March 2018 Rs. 85.91 Lakhs)

ii) Corporate Social Responsibility Expenditure - spent during the year is Rs. 0.17 Lakhs (31st March 2018 - Rs. 296.10 Lakhs)

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Amount required to be spent as per Section 135 of the Act	239.07	137.69
Amount Spend during the year in Cash		
I. Construction / Acquisition of an Assets	-	-
ii. On purpose other than (i) above	0.17	296.10

iii Payment to Auditors (Excluding Tax) **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
(a) Statutory Audit Fees	15.50	14.00
(b) Other Services	0.50	-
(c) Reimbursement of Expenses	0.39	-
Total	**16.39**	**14.00**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

33 Tax expense

(a) Amounts recognised in Profit and Loss **(Rs. in Lakhs)**

PARTICULARS	For the year 2019	For the year 2018
Current Income Tax	**5,233.10**	**4,140.00**
Adjustment of Tax relating to Earlier Periods	**12.27**	**(1,242.61)**
Deferred Income Tax Liability / (Asset), Net		
Origination and Reversal of temporary differences	(1,837.66)	(439.84)
Utilisation of MAT Credit	2,540.73	1,511.87
Tax Expense for the Year	**5,948.44**	**3,969.42**

(b) Amounts recognised in Other Comprehensive Income **(Rs. in Lakhs)**

Particulars	31st March 2019			31st March 2018		
	Before Tax	Tax (expense) benefit	Net of Tax	Before Tax	Tax (expense) /benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurement of the Defered Benefit Plan	(57.87)	20.22	(37.65)	7.95	(2.78)	5.17
Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
Total	**(57.87)**	**20.22**	**(37.65)**	**7.95**	**(2.78)**	**5.17**

(c) Reconciliation of Effective Tax Rate **(Rs. in Lakhs)**

PARTICULARS	For the year 2019	For the year 2018
Profit Before Tax	**24,229.13**	**19,516.88**
Tax using the Company's domestic tax rate (Current Year 34.944% and 31st March, 2018 34.608%)	8,466.63	6,754.40
Non-deductible Tax Expenses		
Dividend on Preference Share	646.88	-
Upfront Fees already claimed	13.04	21.68
Others	1.62	105.98
Others		
Profit deductible u/s 80 IA	(2,205.92)	(1,437.68)
Tax Charged at different tax rate	(134.09)	-
Impact on Account of Change in Def Tax Rate	-	(13.88)
Adjustment for Tax of Prior Periods	12.27	(1,242.61)
Donation Deductible u/s 80 G	(0.21)	(51.34)
Other Adjustments	(851.79)	(167.13)
Total	**5,948.44**	**3,969.42**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

(d) Movement in Deferred Tax balances for the year ended 31st March 2019 **(Rs. in Lakhs)**

Particulars	Net balance 1st April, 2018	Recognised in Profit or Loss	Recognised in OCI	Other	31st March 2019		
					Net	Deferred Tax Asset	Deferred tax Liability
Property, Plant and Equipment	(3,559.53)	1,325.91	-	-	(2,233.61)	-	(2,233.61)
Gain on derivative - Mark to market	-	126.62	-	-	126.62	126.62	-
Loans and Borrowings	(21.89)	21.89	-	-	-	-	-
Employee Benefits	42.76	15.85	20.22	-	78.83	78.83	-
Investment	(45.04)	45.04	-	-	-	-	-
Tax Credit (MAT)	4,461.44	-	-	(2,581.60)	1,879.84	1,879.84	-
Others	(125.96)	302.34	-	-	176.38	176.38	-
Tax Assets/ (Liabilities)	**751.78**	**1,837.65**	**20.22**	**(2,581.60)**	**28.06**	**2,261.67**	**(2,233.61)**
Set off Tax							2,261.67
Net Tax Assets / (Liabilities)							**28.06**

Movement in Deferred Tax balances for the year ended 31st March 2018 **(Rs. in Lakhs)**

Particulars	Net balance 1st April, 2017	Recognised in Profit or Loss	Recognised in OCI	Other	31st March 2018		
					Net	Deferred Tax Asset	Deferred tax Liability
Property, Plant and Equipment	(4,116.98)	557.46	-	-	(3,559.53)	-	(3,559.53)
Gain on derivative - Mark to market	(29.63)	29.63	-	-	-	-	-
Loans and Borrowings	(31.08)	9.19	-	-	(21.89)	-	(21.89)
Employee Benefits	31.36	14.18	(2.78)	-	42.76	42.76	-
Investment	(0.38)	(44.66)	-	-	(45.04)	-	(45.04)
Tax Credit (MAT)	4,668.96	-	-	(207.52)	4,461.44	4,461.44	-
Others	-	(125.96)	-	-	(125.96)	-	(125.96)
Tax Assets/ (Liabilities)	**522.24**	**439.84**	**(2.78)**	**(207.52)**	**751.78**	**4,504.20**	**(3,752.42)**
Set off tax							4,504.20
Net Tax Assets/ (Liabilities)							**751.78**

34 DISCLOSURE OF EARNING PER SHARE

Basic EPS are calculated by dividing the profit for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year after adjusting effects of OCRPS which are Dilutive Potential Equity Shares.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

The following reflects the Income and Share used in the Basic and Diluted EPS computation:

PARTICULARS	For the year 2019	For the year 2018
Profit attributable to Shareholders (Figure in Rs. in Lakhs)	18,280.69	15,547.46
Total number of Equity Shares at the end of the Year (Nos)	41,193,114	70,759,999
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	72,860,531	70,759,999
- For diluted EPS calculation	89,734,121	70,759,999
Nominal value per Equity Share (Rs.)	10.00	10.00
Basic Earnings Per Share (Rs.)	25.09	21.97
Diluted Earnings Per Share (Rs.)	20.37	21.97
Weighted average number of Equity Shares		
Weighted average number of Equity Shares for basic EPS	72,860,531	70,759,999
Effect of dilution:		
Optionally Convertible Redeemable Preference Shares (OCRPS)	16,873,590	-
Weighted average number of Equity Shares adjusted for the effect of dilution	89,734,121	70,759,999

35 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans :

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(Rs. in Lakhs)

PARTICULARS	For the year 2019	For the year 2018
Opening balance of Defined Benefit Obligation	**122.93**	**108.62**
Service Cost		
a. Current Service Cost	40.43	25.22
Interest Cost	9.47	7.93
Benefits Paid	(10.11)	(9.71)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	54.25	(4.84)
b. Actuarial Loss/(Gain) from experience over the past period	(4.05)	(4.29)
c. Actuarial (Loss)/Gain from change in demographic assumptions	6.58	-
Closing balance of the Defined Benefit Obligation	**219.50**	**122.93**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

Table 2 : Reconciliation of Fair Value of Plan Assets **(Rs. in Lakhs)**

PARTICULARS	For the year 2019	For the year 2018
Opening balance of Fair Value of Plan Assets	**113.59**	**86.84**
Contributions by Employer	41.95	31.31
Benefits Paid	(10.11)	(9.71)
Interest Income on Plan Assets	7.51	6.34
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	0.43
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(1.08)	(1.62)
Closing balance of Fair Value of Plan Assets	**151.86**	**113.59**
Actual Return on Plan Assets	6.43	5.16

Table 3 : Expenses Recognised in the Profit and Loss Account **(Rs. in Lakhs)**

PARTICULARS	For the year 2019	For the year 2018
Service Cost		
a. Current Service Cost	40.43	25.22
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	1.96	1.59
Employer Expenses	**42.39**	**26.81**

Table 4 : Net Liability/ (Asset) recognised in the Balance Sheet **(Rs. in Lakhs)**

PARTICULARS	For the year 2019	For the year 2018
Present Value of DBO	219.50	122.93
Fair Value of Plan Assets	151.86	113.59
Liability/ (Asset) recognised in the Balance Sheet	**67.64**	**9.34**
Funded Status [Surplus/(Deficit)]	**(67.64)**	**(9.34)**
Of Which, Short term Liability	**-**	**-**
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**(4.05)**	**(4.29)**
Experience Adjustment on Plan Assets: Gain/(Loss)	**(1.08)**	**(1.62)**

Table 5 : Percentage Break-down of Total Plan Assets

PARTICULARS	For the year 2019	For the year 2018
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	100%	100%
Total	**100%**	**100%**

Note :

None of the assets carry a quoted market price in an active market or represent the Entity's own transferable financial instruments or are property occupied by the Entity.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

Table 6 : Actuarial Assumptions

PARTICULARS	For the year 2019	For the year 2018
Salary Growth Rate	10% p.a.	6% p.a.
Discount Rate	7% p.a.	7.7% p.a.
Withdrawal Rate	12% p.a.	2% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Expected Return on Plan Assets	7.7% p.a.	7.3% p.a.
Expected weighted average remaining working life	5 years	12 years

Table 7: Movement in Other Comprehensive Income

(Rs. in Lakhs)

PARTICULARS	For the year 2019	For the year 2018
Opening Balance (Loss)/Gain	**(17.76)**	**(25.70)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	(54.25)	4.84
b. Actuarial (Loss)/Gain from experience over the past period	4.05	4.29
c. Actuarial (Loss)/Gain from change in demographic assumptions	(6.58)	-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	0.43
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(1.08)	(1.62)
Closing Balance (Loss)/Gain	**(75.62)**	**(17.76)**

Table 8 : Sensitivity Analysis

Financial year ended March 31, 2019	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs. 15.33 Lakhs	DBO decrease by Rs. 13.87 Lakhs
Discount Rate	DBO decreases by Rs.14.12 Lakhs	DBO increases by Rs.15.94 Lakhs
Withdrawal Rate	DBO decreases by Rs. 3.18 Lakhs	DBO increases by Rs. 3.46 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs. 0.04 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increase by Rs. 0.16 Lakhs	

Financial year ended March 31, 2018	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs.14.18 Lakhs	DBO decreases by Rs.12.15 Lakhs
Discount Rate	DBO decreases by Rs.11.86 Lakhs	DBO increases by Rs. 14.08 Lakhs
Withdrawal Rate	DBO increases by Rs.1.20 Lakhs	DBO decreases by Rs. 1.45 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO decreases by Rs. 0.09 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO decreases by Rs. 0.17 Lakhs	

Note :

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

Table 9 : Movement in Surplus / (Deficit) **(Rs. in Lakhs)**

PARTICULARS	For the year 2019	For the year 2018
Surplus / (Deficit) at start of period	**(9.34)**	**(21.78)**
Current Service Cost	(40.43)	(25.22)
Past Service Cost	-	-
Net Interest on net DBO	(1.96)	(1.59)
Actuarial Gain/ (Loss)	(57.86)	7.94
Contributions	41.95	31.31
Surplus/ (Deficit) at end of period	**(67.64)**	**(9.34)**

(b) Defined Contribution Plans

The Company makes Provident Fund contributions to Defined Contribution Plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised Provident Fund contribution of Rs. 79.62 Lakhs (31st March 2018: Rs. 73.13 Lakhs) as expense in Note 30 under the head 'Contributions to Provident and Other Funds'.

36 RELATED PARTIES DISCLOSURES :

•	**Holding Company**	Meghmani Organics Limited
•	**Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :**	Meghmani Dyes & Intermediates LLP (MDI) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Meghmani LLP (formerly Meghmani Unichem LLP) (MLLP) Panchratna Corporation (PC) Navratan Speciality Chemicals LLP Tapsheel Enterprise (Tapsheel) Trent Chemical Industries
•	**Key Managerial Personnel**	Mr. Maulik Patel Mr. Kaushal Soparkar Mr. Ankit Patel Mr. Karana Patel Mr. Darshan Patel Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
•	**Relatives of Key Managerial Personnel**	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
•	**Non Executive Directors**	Mr. Chinubhai Shah (Upto 14th May, 2018) Mr. Balkrishna Thakkar Mr. Manubhai Patel (From 17th May, 2018) Ms. Nirali Parikh

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

36 Transaction with Related Parties: **(Rs. in Lakhs)**

Particulars	Holding Company		Enterprises in which Key Managerial Personnel (KMP)and its Relatives have significant influence		Key Managerial Personnel and its Relatives (KMP)		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Sale of Goods	6,187.87	5,287.17	-	-	-	-	6,187.87	5,287.17
Sale of Goods to MDI	-	-	942.67	627.27	-	-	942.67	627.27
Sale of Goods to MIL	-	-	718.18	636.32	-	-	718.18	636.32
Sale of Goods to MP	-	-	165.92	210.03	-	-	165.92	210.03
Sale of Goods to MLLP	-	-	3,011.90	2,915.69	-	-	3,011.90	2,915.69
Sale of Goods to Tapasheel	-	-	-	45.93	-	-	-	45.93
Sale of Goods to Navratan Speciality	-	-	0.11	-	-	-	0.11	-
Sale of Goods to Trent Chemicals	-	-	1,957.77	1,811.14	-	-	1,957.77	1,811.14
Availing of Services (Rent) PC	-	-	93.79	100.73	-	-	93.79	100.73
Purchase of Goods	0.31	-	-	-	-	-	0.31	-
Purchase of MEIS Licence	482.76	155.04	-	-	-	-	482.76	155.04
Sitting fees	-	-	-	-	6.50	8.00	6.50	8.00
Maulik Patel - Remuneration	-	-	-	-	640.61	490.36	640.61	490.36
Kaushal Soparkar - Remuneration	-	-	-	-	640.61	490.36	640.61	490.36
Ankit Patel- Remuneration	-	-	-	-	- 640.32	490.36	640.32	490.36
Karana Patel- Remuneration	-	-	-	-	400.32	310.46	400.32	310.46
Darshan Patel-Remuneration	-	-	-	-	280.32	220.51	280.32	220.51
Sanjay Jain - Remuneration	-	-	-	-	34.82	27.84	34.82	27.84
Dividend Paid on NCRPS	1,535.56	-	-	-	-	-	1,535.56	-
Issue of NCRPS	22,170.89	-	-	-	-	-	22,170.89	-
Redemption of NCRPS	22,170.89	-	-	-	-	-	22,170.89	-
Issue of OCRPS	21,091.99	-	-	-	-	-	21,091.99	-
Sanjay Jain - Loan Given	-	-	-	-	10.00	-	10.00	-
Sanjay Jain - Repayment of Loan	-	-	-	-	3.00	-	3.00	-
Issue of Equity Shares								
Jayanti Patel	-	-	-	-	375.00	-	375.00	-
Ashish Soparkar	-	-	-	-	375.00	-	375.00	-
Natwarlal Patel	-	-	-	-	375.00	-	375.00	-
Ramesh Patel	-	-	-	-	225.00	-	225.00	-
Anand Patel	-	-	-	-	150.00	-	150.00	-
Success Fees to Promoters							**-**	**-**
Jayanti Patel	-	-	-	-	375.00	-	375.00	-
Ashish Soparkar	-	-	-	-	375.00	-	375.00	-
Natwarlal Patel	-	-	-	-	375.00	-	375.00	-
Ramesh Patel	-	-	-	-	225.00	-	225.00	-
Anand Patel	-	-	-	-	150.00	-	150.00	-
Total	**73,640.28**	**5,442.21**	**6,890.33**	**6,347.12**	**5,656.49**	**2,037.88**	**86,187.10**	**13,827.21**

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

Outstanding Balance with Related Parties: **(Rs. in Lakhs)**

Particulars	Holding Company		Enterprises in which Key Managerial Personnel (KMP)and its Relatives have significant influence		Key Managerial Personnel and its Relatives (KMP)		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Receivables from MOL	-	850.04	-	-	-	-	-	850.04
Receivables from MDI	-	-	189.27	142.23	-	-	189.27	142.23
Receivables from MIL	-	-	127.13	101.21	-	-	127.13	101.21
Receivables from MP	-	-	42.46	48.73	-	-	42.46	48.73
Receivables from MLLP	-	-	680.06	565.41	-	-	680.06	565.41
Receivables from Tapasheel	-	-	-	2.43	-	-	-	2.43
Receivables from Trent Chemical	-	-	349.16	460.84	-	-	349.16	460.84
Payable to Panchratna	-	-	2.19	-	-	-	2.19	-
Remuneration Payable to Maulik Patel	-	-	-	-	576.82	401.36	576.82	401.36
Remuneration Payable to Kaushal Soparkar	-	-	-	-	576.82	401.36	576.82	401.36
Remuneration Payable to Ankit Patel	-	-	-	-	576.87	401.36	576.87	401.36
Remuneration Payable to Karna Patel	-	-	-	-	346.87	241.45	346.87	241.45
Remuneration Payable to Darshan Patel	-	-	-	-	231.87	161.50	231.87	161.50
Remuneration Payable to Sanjay Jain	-	-	-	-	2.04	1.69	2.04	1.69
Sanjay Jain -Loan Receivable	-	-	-	-	7.00	-	7.00	-

(i) Transaction entered into with Related Party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(ii) The Company's transactions with Related Parties are at arm's length. Management believes that the Company's domestic transactions with related parties post 31st March 2018 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

37 Segment Reporting

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to manufacturing of Basic Chemicals, the Company does not operate in more than one business segment.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

38 Contingent Liabilities & Commitments

A. Claim against the Company not acknowledged as Debts (excluding Interest and Penalty)

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Disputed Income Tax Liability	-	40.86
Disputed Service Tax Liability	143.05	143.05
Disputed Custom Duty Liability	621.83	621.83
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities)		
In respect of Letter of Credit	850.52	5,773.09

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of Rs. 12,191.72 Lakhs (31st March 2018 Rs. 20,398.42 Lakhs) has not provided for (Net of Advances).

C. Other Commitment

The Company has imported Capital Good for the various expansion projects under the EPCG Scheme at nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is Rs. 4,520.79 Lakhs (31st March 2018: Rs. Nil) which is equivalent to 6 times of duty saved of Rs. 753.46 Lakhs (31st March 2018: Rs. Nil). The export obligation has to be completed by 2024-25. Further during the year, the Company has submitted documents for fulfilment of obligations of Rs.1,322.62 Lakhs. However, pending export obligation discharge clearance certificate, the same have been considered outstanding as on 31st March 2019.

D. Providend Fund Liability

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Providend Fund dated 28th February, 2019. As a matter of caution, the Company decided to assess the Impact on a prospective basis from the date of SC Order. The impact on the account is not material. The Company will update its provision, on receiving further clarity on the subject.

39 DISCLOSURES AS PER MSMED ACT, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its Customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act').

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at 31st March, 2019 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any,that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance-Sheet date.

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2019

The details as required by MSMED Act are given below:

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
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		
Trade Payables	85.86	38.34
Capital Payables	319.94	-
Interest	12.84	9.67
The amount of interest paid by the Buyer in terms of Section 18 of MSMED Act, along with the amounts of the payment made to the Supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	6.58	2.86
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	12.84	9.67

On the basis of information and records available with the Company, the above disclosures are made in respect of amount due to the Micro, Small and Medium Enterprises, which have been registered with the relevant competent Authorities. This has been relied upon by the Auditors.

40. Capital Management

Capital includes Equity and OCRPS attributable to the Equity and OCRPS holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Company may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2019 and 31st March 2018.

The Company monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net Debt is defined as Total Liabilities, comprising Interest-Bearing Loans and Borrowings, less Cash and Cash Equivalents. Adjusted Equity comprises all components of Equity.

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Total Interest bearing Liabilities	38,970.67	7,428.05
Less : Cash and Cash Equivalent	12,921.38	7.31
Adjusted Net Debt	**26,049.29**	**7,420.74**
Total Equity	49,242.15	51,732.82
Adjusted Equity	**49,242.15**	**51,732.82**
Adjusted Net Debt to Adjusted Equity ratio	0.53	0.14

41 Financial Instruments – Fair Values and Risk Management

The Significant Accounting Policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of Financial Instrument

The carrying value of Financial Instruments by categories as of 31st March, 2019 and 31st March, 2018 is as follows:

(Rs. in Lakhs)

31st March 2019	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comp-rehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (Refer Note 4)	-	-	485.47	485.47
Trade Receivables (Refer Note 9)	-	-	7,736.30	7,736.30
Cash and Cash Equivalents (Refer Note 10)	-	-	12,921.38	12,921.38
Loans (Refer Note 12)	-	-	35.64	35.64
Other Current Financial Assets (Refer Note 13)	-	-	107.37	107.37
Total Financial Assets	**-**	**-**	**21,286.16**	**21,286.16**
Financial Liabilities				
Non-Current Borrowings (Refer Note 17)	-	-	36,534.05	36,534.05
Other Non-Current Financial Liablities (Refer Note 18)	781.31	-	-	781.31
Current Borrowings (Refer Note 20)	-	-	236.62	236.62
Trade Payable (Refer Note 21)	-	-	3,634.11	3,634.11
Other Current-Financials Liabilities (Refer Note 22)	-	-	13,603.18	13,603.18
Total Financial Liabilities	**781.31**	**-**	**54,007.96**	**54,789.27**

(Rs. in Lakhs)

31st March 2018	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comp rehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (Refer Note 4)	-	-	470.61	470.61
Current Investments (Refer Note 8)	7,141.81	-	-	7,141.81
Trade Receivables (Refer Note 9)	-	-	7,686.27	7,686.27
Cash and Cash Equivalents (Refer Note 10)	-	-	7.31	7.31
Other Bank Balance (Refer Note 11)	-	-	500.99	500.99
Loans (Refer Note 12)	-	-	21.62	21.62
Other Current Financial Assets (Refer Note 13)	-	-	124.94	124.94
Total Financial Assets	**7,141.81**	**-**	**8,811.74**	**15,953.55**
Financial Liabilities				
Non-Current Borrowings (Refer Note 17)	-	-	90.00	90.00
Current Borrowings (Refer Note 20)	-	-	3,335.31	3,335.31
Trade Payable (Refer Note 21)	-	-	3,315.49	3,315.49
Other Current-Financials Liabilities (Refer Note 22)	-	-	7,833.71	7,833.71
Total Financial Liabilities	**-**	**-**	**14,574.51**	**14,574.51**

B. Measurement of Fair Value and Sensitivity analysis

Fair Value Hierarchy :

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Asset or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

Financial Instrument measured at Fair Value

(Rs. in Lakhs)

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Significant observable inputs
	31st March 2019	31st March 2018		
Investment in Mutual Fund at FVTPL (Quoted) (Refer Note 8)	-	7,141.81	Level 1	NAV statement provided by the Fund Manager
Mark to market Derivative Liabilities (on Interest Rate Swap and Cross Currency Swap valued at FVTPL) (Refer Note 18)	781.31	-	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 Fair Values

The following table shows a reconciliation from the opening balance to the closing balances for level 1 Fair Values

(Rs. in Lakhs)

PARTICULARS	31st March, 2019	31st March, 2018
Opening balance on 1st April 2018	7,141.81	2,852.70
Net change in Fair Value (unrealised)	-	181.20
Purchases	26,003.33	11,249.07
Sales	(33,145.14)	(7,141.16)
Closing balance on 31st March 2019	-	7,141.81

There have been no transfers between level 1, level 2 and level 3 during the year ended 31st March 2019.

Financial Risk Management Framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Company's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's operations. The Company's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank Balances and Other Financial Assets that derive directly from its Operations.

The Company has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company has exposure to the following risks arising from Financial Instruments :-

- Credit Risk ;
- Liquidity Risk ; and
- Market Risk

i. Credit Risk

Credit Risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to Credit Risk arising from its operating activities primarily from Trade Receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Company considers probability of default upon initial recognition of Assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure.

Financial Instruments and Cash Deposit :

Credit Risk from Balances with Banks and Financial Institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new Customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each Customer and reviewed periodically. Any sales exceeding those limits require approval from the Board of Directors.

Trade Receivables of the Company are typically unsecured ,except to the extent of the Security Deposits received from the Customers or Financial Guarantees provided by the market organizers in the business.Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of Customers to which Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its Customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of Accounts Receivables. The Company evaluates the concentration of risk with respect to Trade Receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company measures the expected credit loss of Trade Receivables and Loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows: **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Domestic	7,612.57	7,686.27
Other Regions	123.73	-
Total	**7,736.30**	**7,686.27**

Age of Receivables **(Rs. in Lakhs)**

PARTICULARS	31st March, 2019	31st March, 2018
Neither due nor Impaired	5,204.66	4,444.01
Past due 1–90 days	2,479.98	3,105.20
Past due 91–180 days	10.77	84.97
More than 180 days	40.89	52.09
Total	**7,736.30**	**7,686.27**

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of Customer Credit Risk, including underlying Customers' Credit Ratings if they are available.

ii. Market Risk

Market Risk is the risk that the fair value of future Cash Flows of a Financial Instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency Risk, Interest Rate Risk, and Other Price Risk such as Equity Price Risk. Financial Instruments affected by market risk include Loans and Borrowings, Deposits, FVTOCI and Amortised Cost Investments and Derivative Financial Instruments.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a Foreign Currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the Foreign Currency.

Exposure to Currency Risk

The Currency profile of Financial Assets and Financial Liabilities as at 31st March, 2019 and 31st March , 2018 are as below:

The Company's exposure to Foreign Currency Risk at the end of the reporting period expressed in INR, are as follows :

(Rs. in Lakhs)

31st March, 2019	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables	7,736.30	123.73	-	-	7,612.57
Total	**7,736.30**	**123.73**	**-**	**-**	**7,612.57**
Financial Liabilities					
Non Current Borrowings	36,534.05	-	13,981.05	-	22,553.00
Trade Payables	3,634.11	1,670.41	-	-	1,963.70
Other Current Financial Liabilities	13,603.18	308.32	8.74	639.16	12,646.96
Less : Foreign Currency Hedged	13,981.05	-	13,981.05	-	-
Total	**39,790.29**	**1,978.73**	**8.74**	**639.16**	**37,163.65**

(Rs. in Lakhs)

31st March, 2018	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Liabilities					
Trade and Other Payables	3,315.49	1,136.30	-	-	2,179.19
Other Current Financial Liabilities	7,833.71	76.53	15.59	-	7,741.59
Total	**11,149.20**	**1,212.83**	**15.59**	**-**	**9,920.78**

Sensitivity Analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US Dollars at March 31 would have affected the measurement of financial instruments denominated in US Dollars and affected Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Lakhs)

31st March, 2019	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(92.75)	92.75	(60.34)	60.34
EUR	(0.44)	0.44	(0.28)	0.28
CNY	(31.96)	31.96	(20.79)	20.79

(Rs. in Lakhs)

31st March, 2018	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(60.64)	60.64	(39.65)	39.65
EUR	(0.78)	0.78	(0.51)	0.51
CNY	-	-	-	-

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Long-Term Debt obligations with floating interest rates. The Company manages its Interest Rate Risk by having balanced portfolio of fixed and variable rate Loans and Borrowings.

Exposure to Interest Rate Risk

The Company's Interest Rate Risk arises from Borrowings obligations. Borrowings is exposed to fair value interest rate risk. The interest rate profile of the Company's interest-bearing Financial Instruments as reported to the management of the Company is as follows.

(Rs. in Lakhs)

Variable-Rate Instruments	31st March, 2019	31st March, 2018
Non Current - Borrowings	36,534.05	90.00
Current portion of Long Term Borrowings	2,200.00	4,002.74
Total	**38,734.05**	**4,092.74**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in Interest Rates at the reporting date would have increased /(decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular Foreign Currency Exchange Rates, remain constant.

(Rs. in Lakhs)

Particulars	Profit or Loss		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2019				
Non Current - Borrowings	(365.34)	365.34	(237.68)	237.68
Current portion of Long Term Borrowings	(22.00)	22.00	(14.31)	14.31
Total	**(387.34)**	**387.34**	**(251.99)**	**251.99**
31st March 2018				
Non Current - Borrowings	(0.90)	0.90	(0.59)	0.59
Current portion of Long Term Borrowings	(40.03)	40.03	(26.17)	26.17
Total	**(40.93)**	**40.93**	**(26.76)**	**26.76**

Equity Price Risk:

The Company's listed and non-listed Equity Securities are susceptible to market price risk arising from uncertainties about future values of the Investment Securities. The investment in listed and unlisted Equity Securities are not significant.

iii. Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and Actual Cash flows and matching the maturity profiles of the Financial Assets and Liabilities. The table below summarises the remaining contractual maturities of Financial Liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities

(Rs. in Lakhs)

31st March, 2019	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
Indian Rupee Loan	24,753.00	24,753.00	2,200.00	4,882.21	17,670.79	-
Foreign Currency Loan	13,981.05	13,981.05	-	2,796.21	11,184.84	-
Working Capital Loans from Banks	236.62	236.62	236.62	-	-	-
Trade Payables	3,634.11	3,634.11	3,634.11	-	-	-
Other Payables	11,403.18	11,403.18	11,403.18	-	-	-
Total	**54,007.96**	**54,007.96**	**17,473.91**	**7,678.42**	**28,855.63**	**-**

Derivative Financial Liabilities

(Rs. in Lakhs)

31st March, 2019	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
Mark to Market Derivative Liabilities (on Interest Rate Swap and Cross Currency Swap valued at FVTPL)	781.31	781.31	-	156.26	625.05	-
Total	**781.31**	**781.31**	**-**	**156.26**	**625.05**	**-**

Non-Derivative Financial Liabilities

(Rs. in Lakhs)

31st March, 2018	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
Rupee Term Loans from Banks	4,092.74	4,092.74	4,002.74	20.00	70.00	-
Working Capital Loans from Banks	3,335.31	3,335.31	3,335.31	-	-	-
Trade Payables	3,315.49	3,315.49	3,315.49	-	-	-
Other Payables	3,830.97	3,830.97	3,830.97	-	-	-
Total	**14,574.51**	**14,574.51**	**14,484.51**	**20.00**	**70.00**	**-**

Derivative Financial Liabilities

(Rs. in Lakhs)

31st March, 2018	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
Mark to Market Derivative Liabilities (on Interest Rate Swap and Cross Currency Swap valued at FVTPL)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

The Gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted Cash Flows relating to Derivative Financial Liabilities held for Risk Management purposes and which are not usually closed out before contractual maturity. The disclosure shows net Cash Flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular Industry.

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

42 Amalgamation with Meghmani Agrochemical Private Limited and Shareholding changes

The Board of Directors in meeting held on 19th May 2018 approved the Scheme of Arrangement in the nature of Amalgamation of Meghmani Agrochemical Private Limited ('MACPL') with the Company ('the Scheme'). The Company applied to National Company Law Tribunal ("NCLT") for approval of the Scheme of Arrangement. The Scheme was approved by NCLT on 11th Febuary 2019. The amalgamation was effective from the date of the Order (i.e effective date).

Pursuant to the Scheme of Amalgamation, the Company has issued 210,919,871 8% Optionally Convertible / Redeemable Preference Shares (OCRPS) of Rs. 10 each amounting to Rs. 21,091.99 Lakhs and 221,708,925 8% Non Convertiable Redeemable Preference Shares (NCRPS) of Rs. 10 each amounting to Rs. 22,170.89 Lakhs to Meghmani Organics Limited (MOL) against the investment in Equity and Preference Shares issued by MACPL.

The aforesaid NCRPS were issued in lieu of holding of IFC which was acquired by MACPL before the amalgamation. During the current year, the Company and Meghmani Agrochemicals Limited ('MACPL') entered into Share Sale Agreement dated 26 April 2018, accordingly IFC sold its equity stake in the Company to MACPL. The agreement also allowed the Promoters to exercise their rights of the Promoters Warrants in accordance with the terms of the Share Subscription Agreement between the Company, Promoters and IFC at Rs 30 each. The promotors exercised the warrant option rights conferred.

The Company has redeemed the NCRPS on 8th March 2019 along with dividend. As a result the Company has paid Rs 22170.89 Lakhs towards redemption of NCRPS and Rs. 1,851.20 Lakhs (including Dividend Distribution Tax of Rs 315.64 Lakhs) as Dividend to MOL. As approved by the Board of Directors of the Company, dividend on NCRPS was paid with effect from 26th April 2018 (i.e. the date of Preference Shares issued by MACPL to MOL) to 5th March 2019 (i.e. date of redemption).

Pursuant to Scheme, the OCRPS issued is redeemable/ convertible at any time within a period of 20 years at the option of the Company. Considering the terms of issue, all the significant right of conversion / redemption and declaration of dividend is retained by the Company. Also management is not expecting to redeem the OCRPS as on the date of issue or forseable period. Accordingly, OCRPS is accounted as Equity and shown below Equity Share Capital.

Pursuant to the Scheme, accounting treatment for Assets and Liabilities acquired is as under:

(i) 34566855 Equity Shares of the Company as held by MACPL has been cancelled by operation of law as per the terms of the Scheme.

(ii) Liability of Rs 29.88 Lakhs in the books of MACPL has been accounted at fair value.

(iii) The excess of Purchase Consideration paid over liabilities acquired and cancellation of Equity Shares of the Company amounting to Rs 39,836.08 Lakhs has been adjusted against balance of Securities Premium amounting to Rs. 15,142.00 Lakhs and remaining balance has been debited to Capital Reserve amounting to Rs. 24,694.08 Lakhs.

(iv) Authorised Share Capital amounting to Rs. 4,500.00 Lakhs (Rs.1,500 Lakhs Equity Share Capital of Rs. 10 each and Rs. 3,000 Lakhs Preference Share Capital of Rs. 10 each) has been increased.

(v) Breakup of purchase consideration **(Rs. in Lakhs)**

Particulars	**Amount**
21,09,19,871 8% OCRPS @ Rs 10 per share	21,091.99
22,17,08,925 8% NCRPS @ Rs 10 per share	22,170.89
Total Purchase consideration	**43,262.88**

43 Events occurred after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 9 May 2019 there were no material subsequent events to be recognized or reported that are not already previously disclosed.

44 Previous Years figures have been regrouped wherever necessary to make them comparable with those of the current year

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP
CHARTERED ACCOUNTANTS

ICAI Firm Regn. No. 324982E / E300003
per SUKRUT MEHTA
PARTNER

M. NO.: 101974
PLACE : AHMEDABAD
DATE : 9th MAY, 2019

SANJAY JAIN
CHIEF FINANCIAL OFFICER

K.D. MEHTA
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS OF
MEGHMANI FINECHEM LIMITED
(CIN U24100GJ2007PLC051717)

MAULIK PATEL
CHAIRMAN & MANAGING DIRECTOR
(DIN NO 02006947)

KAUSHAL SOPARKAR
MANAGING DIRECTOR
(DIN No. 01998162)

PLACE : AHMEDABAD
DATE : 9th MAY, 2019

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 12th Annual General Meeting of the Members of the Company will be held on **Wednesday, 8th July, 2019** at **10.30 A.M.** at the Registered Office of the Company, to transact the following business :

ORDINARY BUSINESS :

1) To consider and adopt the Audited Financial Statement including Balance sheet as at **31st March, 2019** Statement of Profit and Loss and Cash Flow Statement for the financial year ended on **31st March, 2019**, together with reports of Board of Directors and the Auditor's thereon.

2) To appoint a Director in place of **Mr. Maulik Patel (DIN 02006947)** who retires by rotation and being eligible offers himself for re-appointment.

3) To appoint a Director in place of **Mr. Darshan Patel (DIN 02047676)** who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

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

   APPOINTMENT OF COST AUDITORS FOR FY 2019 - 20

   RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or amendments or re-enactments thereof for the time being in force), M/s K V Melwani & Associates, Cost Accountants (Registration No. 100497), be and is hereby appointed as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31 March, 2020, at a remuneration of Rs. 1,30,000/- (Rupees One Lakh Thirty Thousand only) per financial year, plus applicable service tax and out of pocket expenses that may be incurred during the course of Cost audit.

   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.

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

Registered Office :
Plot No.: CH 1 & CH 2
GIDC Dahej, Taluka : Vagra
Place : Bharuch
Date : 09th May,2019

Maulik Patel
(Chairman & Managing Director)
(DIN 02006947)

Notes :

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.

1) 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

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

3) The Explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of Item No. 5 to 12 is annexed and form part of this Notice.

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

ITEM NO. 4 - APPOINTMENT OF COST AUDITOR

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, 2020.

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. 4 for approval of the remuneration amounting to Rs. 1,30,000/- per annum plus applicable service tax and out of pocket expenses payable to the Cost Auditors for the financial year ending on 31st March, 2020. The Board accordingly recommends the resolution at Item No. 4 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. 4 of this Notice.

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

Registered Office :
Plot No.: CH 1 & CH 2
GIDC Dahej, Taluka : Vagra
Place : Bharuch
Date : 9th May, 2019

Maulik Patel
(Chairman & Managing Director)
(DIN 02006947)

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ANNUAL REPORT

2018-2019

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MEGHMANI FINECHEM LIMITED

Your essentials. Our expertise.