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CORPORATE INFORMATION

BOARD OF DIRECTORS

Jayanti Patel
Ashish Soparkar
Natwarlal Patel
Ramesh Patel
Anand Patel
Chinubhai Shah
Balkrishna Thakkar
Dr. Arvind Patel
Ms. Nirali Parikh

REGISTERED OFFICE

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

PLANT LOCATION CHLOR-ALKALI COMPLEX & POWER PLANT

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

PRINCIPAL BANKERS

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

AUDITORS

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

DIRECTORS' REPORT

To,
The Members,
 Meghmani Finechem Limited
 Bharuch

Your Directors have pleasure in presenting Ninth Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended on **31st March, 2016**.

FINANCIAL RESULTS

(₹ in Crore)

PARTICULARS	YEAR ENDED ON 31 st MARCH, 2016	YEAR ENDED ON 31 st MARCH, 2015
Net Revenue from Operations	398.69	351.79
Other Income	0.84	2.51
Total Revenue	399.53	354.31
Profit before Finance Cost & Depreciation	153.12	111.58
Finance Cost	(19.84)	(26.85)
Depreciation	(44.05)	(42.30)
Profit Before Tax	89.23	42.43
Payment & Provision of Current Tax	(19.05)	(9.00)
Deferred Tax Expenses/(Income)	(4.36)	(7.75)
MAT Credit Entitlement	5.41	9.00
Short/ (Excess) provision of tax of earlier years	(0.15)	0.00
Profit After Tax	71.08	34.68
Profit/Loss of previous year	8.26	3.38
Interim Dividend	0	25.47
Dividend Tax	0	4.33
Balance Carried forward	79.34	8.26

DIVIDEND:-

Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits and to build a strong reserve base and for growth of the business of the Company, no Final Dividend has therefore been recommended for the year ended March 31, 2016.

SHARE CAPITAL:-

The paid up Equity Share Capital as on March 31, 2016 was ₹ 70.76 Crores. During the year under review, 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.

No Right/Bonus shares were issued during the year under review.

DIRECTORS' REPORT**OPERATING RESULTS:-****1) PRODUCTION**

During the year, the Plant was operated at 87.81% and also run it's Flaking Unit at optimized level. Higher production level resulted absorption of overhead in better way and also contributed positively in overall profitability.

2) SALES

The Sales Turnover of the Company has increased by ₹ 46.90 Crores (by 13.33%) i.e. from ₹ 351.79 Crore in FY 2015 to ₹ 398.69 Crores in FY 2016. The increase in sales is due to increase in production and higher ECU Prices.

3) OTHER INCOME :-

Other Income decreased by ₹ 1.66 Crores, due to reduction in receipt of Interest on Fixed Deposit and Profit on Sale of Investment (Mutual Fund).

4) PROFITABILITY :-

The Profit Before Tax (PBT) has remarkably increased to ₹ 89.23 Crores. The reasons for increase in Profit Before Tax (PBT) are:-

- (1) Sales increased by ₹ 46.90 Crores.
- (2) ECU of the Caustic – Chlorine increased from ₹ 25,780 to ₹ 27,974.
- (3) Production increased from 1,43,074 MT to 1,45,985 MT
- (4) Finance Cost decreased by ₹ 7.01 Crores. This is due to repayment of Term Loan.

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

PROJECT :-

The erection and commissioning of ₹ 65 Crores Caustic Potash Plant (KOH) project of 60 MTPD Capacity at CH1 & CH2, GIDC Dahej, Tal. Vagra, Dist. Bharuch has been completed and the commercial production has started from 21st April, 2016. The Company has used the latest 4th Generation Membrane Cell Technology in the world from Asahi Kasei Chemicals Corporation (AKCC) Japan. KOH is used in Soap, Detergent, Fertilizer and Chemical industries. The turnover of the Company is expected to be increased by ₹125 Crores.

INSURANCE:-

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

CREDIT RATING:-

CRISIL has assigned rating of CRISIL A-/stable on Total Bank Facilities (Short Term & Long Term) vide their letter no. GDS12080/146921/BLR/011600426 dated 12th January, 2016.

DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY

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

Sr.No.	Particulars	Location
1	Agaria Kalyan Yojana	Dahej Salt Works
2	Blood Donation Camp	Dahej
3	Kanya Kelwani Nidhi	Dahej
4	Vanvasi Kalyan Yojana	Dediapada

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

During the year, the Company has to spend the entitlement of ₹ 1,17,27,194. The Company has spent ₹ 31,25,295 towards CSR. The Company shall spend the balance amount in the coming months and shall submit the relevant report in the ensuing year.

FIXED DEPOSITS:-

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

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

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

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP):-

(1) Appointment of Director:-

Mr. Maulik Patel, Mr. Kaushal Soparkar, Mr. Karana Patel, Mr. Ankit Patel and Mr. Darshan Patel have been appointed as an Additional Non Executive Directors of the Company with effect from 10th May, 2016.

In accordance with Section 161 of the Companies Act, 2013 the aforesaid Directors hold office up to forth coming Annual General Meeting of the Company and being eligible have offered themselves for their appointment as Non Executive Directors.

Your approval for their appointment has been sought in the Notice convening the forth coming Annual General Meeting.

(2) Resignation of Director:-

Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel have resigned from the Board of Directors with effect from 11th May, 2016.

The Board of Directors has placed on record appreciation of their rich contribution to bring the Company at this level.

(3) Re-appointment of Director:-

At the last Annual General Meeting held on 20th July, 2015, the Members re-appointed Mr Ashish Soparkar as Non- Executive and Mr. Chinubhai Shah as Non Executive -Independent Directors.

(4) Directors retirement by rotation:-

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

DIRECTORS' REPORT

(5) 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.

(6) Appointment of Woman Director -

The Company has complied with the requirements Section 149(1) of the Companies Act, 2013 and the appointment of Ms. Nirali Parikh as an Independent Woman Director for a period of 5 (five) years was confirmed and approved by the Members at Annual General Meeting held on 20th July, 2015.

(7) Board Evaluation:-

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual evaluation of Board, the Directors individually, as well as the evaluation of the working of its Audit 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 & performance of specific duties, obligations and governance.

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

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

(8) 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. Jayanti Patel	CEO
2.	Mr. Kamlesh Mehta	Company Secretary
3.	Mr. Sanjay Jain	CFO

(9) Remuneration Policy:-

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

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

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

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

DIRECTORS' REPORT

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:-

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, 2016 , 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, 2016 and of the profit of the Company for the period ended on 31st March, 2016.
- 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.

MEETINGS:-

(A) BOARD MEETINGS

During the year Four Board meetings were convened and held respectively on 11/05/2015, 31/07/2015, 27/10/2015 and 27/01/2016 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.

(B) AUDIT COMMITTEE MEETING:-

The Audit Committee comprises of three members. During the year four Audit Committee meetings were convened and held on 11/05/2015, 31/07/2015, 27/10/2015 and 27/01/2016.

ANNUAL RETURN:-

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

DIRECTORS' REPORT**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.

AUDITORS:-**(A) STATUTORY AUDITORS:-**

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

The Company has received letter from them to the effect of their re-appointment, if made, would be within prescribed limit under Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit & Auditors) Rules, 2014 and that they are not disqualified for reappointment.

The Auditors have given an unqualified Audit Report.

(B) SECRETARIAL AUDITOR:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Shahs & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial Year 2015-16 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 2016-17 on a remuneration of ₹ 1,00,000 per annum. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification.

Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Koushalya V Melwani, Cost Accountants is included at Item No. 10 of the notice convening the Annual General Meeting.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:-

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

RELATED PARTY TRANSACTIONS (RPT):-

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

DIRECTORS' REPORT

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

ACKNOWLEDGMENT:-

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

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

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

Place: Ahmedabad
Date: 10th May, 2016

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

ANNEXURE-A

CONSERVATION OF ENERGY:

A	Energy conservation measures taken	(a) Adoption of new technology provided by AKCC wherein power consumption is lowest. (b) Utilization of Hydrogen as fuel for Flaking Unit instead of Natural Gas.
B	Additional investments and proposals if any being implemented for reduction of consumption of energy	We have installed VAM machine in place of reciprocating chilled water compressors with the investment of ₹ 75 Lacs which result reduction in energy consumption
C	Impact of the measures at (a) & (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods.	(i) Saving energy of 5000 unit per day. (ii) As a result of above, Company saving ₹ 22,000/- per day on account of reduction in cost of production
D	Total energy consumption and energy consumption per unit of production	415199548 Unit 2844 Unit / MT

FORM A

**Form for disclosure of particulars with respect to Conservation of Energy
1st April, 2015 to 31st March, 2016**

Form for disclosure of particulars with respect to Conservation of Energy

Particulars	2015-16	2014-15
A. Power Consumption		
1 Electricity Consumption		
(a) Purchased		
Unit KWH	–	20748
Total Amount ₹	6.72 Lacs	7.69 Lacs
Rate/Unit ₹	–	37.08/ unit
(b) Own Generation		
Through Diesel Generator		
Unit KWH	67,834	1,02,565
Unit per Liter of Diesel KWH/Ltr	2.95	3.32
Cost/Unit ₹	19.25/unit	17.95/unit
(c) Through Coal		
Unit KWH	46,76,90,830	43,87,74,695
Unit per Kg of coal KWH/ Kg of Coal	1.36	1.37
Cost/Unit ₹	3.12/unit	3.23/unit
2 Coal		
Steam Generated MT	20,73,306	19,20,063
Consumption of Coal MT	3,47,668	3,18,882
Cost of steam per unit (Kg) ₹	0.70/unit	0.74/unit
Steam Purchase	-	-
3 Others/internal generations	-	-
B Consumption per unit of	1,45,985	1,43,074
Production in MT	15,358	14,705
Electricity (₹/ Mt)		

**FORM-B
TECHNOLOGY ABSORPTION**

Form for disclosure of particulars with respect to technology absorption

A. Research & Development

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

B. Technology Absorption, Adoption and Innovation:

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

Foreign Exchange Earnings and Outgo:

The particulars with regards to foreign exchange earnings is ₹14,46,64,099 and outgo ₹ 68,45,19,451 as on 31st March 2016

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

**Place: Ahmedabad
Date: 10th May, 2016**

ANNEXURE- B

EXTRACT OF ANNUAL RETURN

(As on the Financial Year Ended 31.03.2016)

[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		11 th 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 detail		CH/1, CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Dist. Bharuch, Gujarat. Ph- 91-79-25831210			
Whether Listed Company		No			
Name, address and contact details of the Registrar and Transfer Agent, if any		Not Applicable			
II. Principal Business Activities of the Company					
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated.					
Name & Description of main Products/Services		NIC Code of the Product/ Service		% of total turnover of the Company	
Caustic		2411		94.40	
Chlorine		-		-	
Others		-		05.60	
III. Particulars of Holding, Subsidiary & Associate Companies					
Sr. No	Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Meghmani Organics Limited	L24110GJ1995PLC024052	Holding	57.16	2(46)

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)											
i) Category-wise Shareholding											
Category Code	Category Of Share Holder	No. of Shares Held at the beginning 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	-	41,70,873	41,70,873	5.89%	-	41,70,873	41,70,873	5.89%	-	0.00%
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-	-
(c)	BODIES CORPORATE	-	4,04,46,820	4,04,46,820	57.16%	-	4,04,46,820	4,04,46,820	57.16%	-	0.00%
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-	-
	DIRECTORS RELATIVES	-	84,76,256	84,76,256	11.98%	-	84,76,256	84,76,256	11.98%	-	0.00%
	SUB TOTAL : (A) 1	-	5,30,93,949	5,30,93,949	75.03%	-	5,30,93,949	5,30,93,949	75.03%	-	0.00%
2	FOREIGN										
(a)	INDIVIDUAL	-	-	-	-	-	-	-	-	-	-
(b)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-	-
(c)	INSTITUTIONS	-	-	-	-	-	-	-	-	-	-
(d)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (A) 2	-	-	-	-	-	-	-	-	-	-
(A)	TOTAL HOLDING FOR PROMOTERS : (A) 1 + (A) 2	-	5,30,93,949	5,30,93,949	75.03%	-	5,30,93,949	5,30,93,949	75.03%	-	0.00%

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)									
Category Code	Category of Share Holder	No. of Shares Held at the beginning 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
(B) 1	PUBLIC SHAREHOLDING (3)								
(a)	INSTITUTIONS	-	-	-	-	-	-	-	-
(b)	MUTUAL FUNDS / UTI	-	-	-	-	-	-	-	-
(c)	FINANCIAL INSTITUTIONS / BANKS	1,76,66,050	1,76,66,050	1,76,66,050	24.97%	1,76,66,050	1,76,66,050	24.97%	0.00%
(d)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-
(e)	VENTURE CAPITAL FUNDS	-	-	-	-	-	-	-	-
(f)	INSURANCE COMPANIES	-	-	-	-	-	-	-	-
(g)	FOREIGN INSTUTIONAL INVESTORS	-	-	-	-	-	-	-	-
(h)	FOREIGN VENTURE CAPITAL	-	-	-	-	-	-	-	-
(i)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-
	ANY OTHER	-	-	-	-	-	-	-	-
	SUB TOTAL : (B) 1	1,76,66,050	1,76,66,050	1,76,66,050	24.97%	1,76,66,050	1,76,66,050	24.97%	0.00%
2	NON-INSTITUTIONS								
(a)	BODIES CORPORATE	-	-	-	-	-	-	-	-
(b)	INDIVIDUAL (CAPITAL <= ₹ 1 LAKH)	-	-	-	-	-	-	-	-
(b)	INDIVIDUAL (CAPITAL > ₹ 1 LAKH)	-	-	-	-	-	-	-	-
(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 beginning 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)	-	1,76,66,050	1,76,66,050	24.97%	-	1,76,66,050	1,76,66,050	24.97%	0.00%
	TOTAL (A)+(B)	-	7,07,59,999	7,07,59,999	100.00%	-	7,07,59,999	7,07,59,999	100.00%	0.00%
(C)	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED	-	-	-	-	-	-	-	-	-
1	PROMOTER AND PROMOTER GROUP	-	-	-	-	-	-	-	-	-
2	PUBLIC	-	-	-	-	-	-	-	-	-
(C)	SUB TOTAL : (C)	-	-	-	-	-	-	-	-	-
	GRAND TOTAL : (A)+(B)+(C)	-	7,07,59,999	7,07,59,999	100.00%	-	7,07,59,999	7,07,59,999	100.00%	0.00%

i) Shareholdings of Promoters

Shareholders Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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	
Jayanti Patel	6,32,414	0.89	-	6,32,414	0.89	-	0.00
Ashish Soparkar	9,48,563	1.34	-	9,48,563	1.34	-	0.00
Natwarlal Patel	9,77,304	1.38	-	9,77,304	1.38	-	0.00
Ramesh Patel	6,32,414	0.89	-	6,32,414	0.89	-	0.00
Anand Patel	9,80,178	1.39	-	9,80,178	1.39	-	0.00

(ii) Change in Promoter's Shareholding

Shareholding at the beginning of the year 01.04.2015			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				
Date wise Increase/ Decrease in Promoters Shareholding during the year with reasons for change	Refer i) Shareholding of Promoters			
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 01.04.2015		Cumulative Shareholding at the end of the year 31.03.2016	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
International Finance Corporation	1,76,66,050	25	1,76,66,050	25
Meghmani Organic Limited	4,04,46,820	57	4,04,46,820	57
Maulik Patel	18,97,012	3	18,97,012	3
Ankit Patel	16,09,503	2	16,09,503	2
Kaushal Soparkar	15,80,747	2	15,80,747	2
Karna Patel	5,05,954	1	5,05,954	1
Kalpanaben Patel	4,42,609	1	4,42,609	1
Disha Patel	3,44,890	0	3,44,890	0
Taraben Patel	3,16,150	0	3,16,150	0
Kruti Patel	3,16,150	0	3,16,150	0
Nayana Soparkar	3,16,150	0	3,16,150	0
Vaishakhi Patel	3,16,149	0	3,16,149	0

(iv) Shareholding of Directors and Key Managerial Personnel

For each of Directors and KMP	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding at end of the year 31.03.2016	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Jayanti Patel	6,32,414	0.89	6,32,414	0.89
Mr. Ashish Soparkar	9,48,563	1.34	9,48,563	1.34
Mr. Natwarlal Patel	9,77,304	1.38	9,77,304	1.38
Mr. Ramesh Patel	6,32,414	0.89	6,32,414	0.89
Mr. Anand Patel	9,80,178	1.39	9,80,178	1.39
Mr. Balkrishna Thakkar	-	-	-	-
Mr. Chinubhai Shah	-	-	-	-
Dr. Arvind Patel	-	-	-	-
Ms. Nirali Parikh	-	-	-	-
Mr. Kamlesh Mehta	-	-	-	-
Mr. Sanjay Jain	-	-	-	-

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

	Secured Loans excluding deposits (₹ In Crore)	Unsecured Loans (₹ In Crore)	Deposits (₹ In Crore)	Total Indebtedness (₹ In Crore)
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	255.74	-	-	255.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.77	-	-	1.77
Total (i+ii+iii)	257.51	-	-	257.51
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-
Reduction	73.38	-	-	73.38
Net Change	73.38	-	-	73.38
Indebtedness at the end of the Financial Year				
i) Principal Amount	182.36	-	-	182.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.24	-	-	1.24
Total (i+ii+iii)	183.60	-	-	183.60

VI. Remuneration of Directors and Key Managerial Personnel

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

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

Remuneration to other Non –Executive Independent Directors

Particulars of Remuneration	Name of Directors				Total Amount (₹ In Crore)
	Mr. B T Thakkar	Mr. C. R. Shah	Dr. A. K. Patel	Ms Nirali Parikh	
Fees for attending Board / Committee Meetings	0.012	0.012	0.0045	0.006	0.0345
Commission	-	-	-	-	-
Others, Please Specify	-	-	-	-	-
Total (B)	0.012	0.012	0.0045	0.006	0.0345

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

Particulars of Remuneration	Key Managerial Personnel (KMP)			Total Amount (₹ In Crore)
	Mr. K. D. Mehta Company Secretary (CS)	Mr. Sanjay Jain Chief Financial Officer (CFO)		
Gross Salary				
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	-	0.20		0.20
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)	-	0.20		0.20

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 31.03.2016

[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 31.03.2016 ("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, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under (**Not Applicable to the Company during the Audit Period**);
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (**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 **(Not Applicable to the Company during the Audit Period)** ;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)** ; and
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)** ;
6. Other laws specifically applicable to the Company **(As per Annexure-1)**
We have also examined compliance with the applicable clauses of the following:
- i. The Listing Agreements entered into by the Company with the 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 1st December, 2015) **(Not Applicable to the Company during the Audit Period)** ;
 - iii. Secretarial Standards (SS-1 and 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, etc.
2. Redemption / Buy-back of securities.
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
4. Merger / Amalgamation / Reconstruction etc
5. Foreign Technical Collaborations.

Place: Ahmedabad

Date: 10th May, 2016

For, SHAHS & ASSOCIATES
Company Secretaries

(Kaushik Shah)
Partner
FCS No 2420 CP No 1414

ANNEXURE - 1

- (1) ENVIRONMENT PROTECTION ACT, 1986 & OTHER ENVIRONMENTAL LAWS
- (2) THE CENTRAL EXCISE ACT
- (3) INCOME TAX ACT, 1961
- (4) CENTRAL SALES TAX ACT
- (5) VALUE ADDED TAX [VAT] GUJARAT STATE
- (6) PROFESSIONAL TAX
- (7) SERVICE TAX
- (8) NEGOTIABLE INSTRUMENT ACT
- (9) THE FACTORIES ACT, 1948
- (10) THE APPRENTICE ACT, 1961
- (11) THE INDUSTRIAL DISPUTE ACT, 1947
- (12) THE PAYMENT WAGES ACT, 1965
- (13) THE PAYMENT OF BONUS ACT
- (14) THE PAYMENT OF GRATUITY ACT
- (15) THE MINIMUM WAGES ACT, 1946
- (16) THE TRADE UNION ACT, 1926
- (17) THE EMPLOYMENT EXCHANGE ACT 1952
- (18) THE EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
- (19) INDIAN STAMP ACT
- (20) THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992
- (21) CUSTOMS ACT

**Place: Ahmedabad
Date: 10th May, 2016**

**For, SHAHS & ASSOCIATES
Company Secretaries**

**(Kaushik Shah)
Partner
FCS No 2420 CP No 1414**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEGHMANI FINECHEM LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Meghmani Finechem Limited, which comprise the Balance Sheet as at 31st March, 2016 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by 'The Companies (Auditor's Report) order, 2016', issued by the Central government of India in terms of sub section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Companies Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 to the financial statements.
 - iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

**Place: Ahmedabad
Date: 10th May, 2016**

INDEPENDENT AUDITORS' REPORT**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON
THE STANDALONE 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

We have audited the Internal Financial Controls over financial reporting of Meghmani Finechem Limited as of March 31, 2016 in conjunction with our audit of the Standalone 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 (ICAI). 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 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.

INDEPENDENT AUDITORS' REPORT**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647W**

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

**Place: Ahmedabad
Date: 10th May, 2016**

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS**

Referred to in Paragraph 1 of the Report on Other Legal & Regulatory Requirements of Independent Auditors' Report of Even date

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

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records under SAP showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable interval. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) 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. So clause (a), (b) & (c) are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not provide any loans, investments, guarantees and security as per provision of Section 185 and 186 of Companies Act, 2013. Therefore, the provision of clause (iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vi) The Central Government has prescribed maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by sub section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of accounts maintained by the Company under SAP environment. We are of the opinion that prima facie cost records have been maintained by Company. We have not however made detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Duty of Customs, Duty of Excise, VAT, Cess and any other statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date they become payable;
- b) According to the information and explanations given to us, the statutory dues which have not been deposited on account disputes are given below:

Name of Statute	Nature of Dues	Figures (in ₹)	Forum where dispute is pending
Service Tax	Service Tax/Interest/Penalty	1,28,17,614	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the Financial Institutions, Banks and Government. The Company has not issued any debentures.
- (ix) The Company has not raised any money through initial public offer or further public offer. In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which those are raised.
- (x) During the course of our examination of books and record of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instance or material fraud by the Company or on the Company by its officer or employee noticed or reported during the year, nor have been informed of any such case by the Management.
- (xi) According to the information and explanations given to us, the Company has only Non-Executive Directors and not receiving remuneration. Therefore, the provisions of clause (vii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xii) As the company is not a Nidhi Company and the Nidhi rules, 2014 are not applicable to it, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with provision of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statement as required under Accounting Standard (AS) 18, related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Therefore, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) According to the information and explanations given to us, Company has not entered into any non-cash transactions with Directors or Person connected with him. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank Of India Act, 1934. Therefore, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

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

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

**Place: Ahmedabad
Date: 10th May, 2016**

BALANCE SHEET AS AT 31ST MARCH, 2016

(Figures in ₹)

PARTICULARS	Note No.	31 st March 2016	31 st March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	70,75,99,990	70,75,99,990
(b) Reserves and Surplus	3	2,20,55,58,494	1,49,47,65,515
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,14,32,63,743	1,78,87,65,379
(b) Long-Term Provisions	5	1,72,09,613	2,60,42,472
(c) Deferred Tax Liabilities	6	24,82,81,779	20,46,05,162
(3) Current Liabilities			
(a) Short-Term Borrowings	7	9,12,45,321	-
(b) Trade Payables for Micro Small Enterprise	8	78,48,979	64,74,152
(c) Trade Payables for Other Than Micro Small & Medium Enterprise	8	26,01,79,930	21,53,93,643
(d) Other Current Liabilities	9	90,83,59,293	89,14,05,419
(e) Short-Term Provisions	10	13,46,665	72,53,653
TOTAL		5,59,08,93,807	5,34,23,05,384
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	3,64,26,03,438	4,10,99,72,030
(ii) Intangible Assets	11	3,934	21,40,066
(iii) Capital Work-in-Progress		69,48,67,414	7,28,66,386
(b) Non-Current Investments	12	10,000	10,000
(c) Long-Term Loans and Advances	13	29,05,59,535	24,66,61,911
(d) Other Non-Current Assets	14	4,08,47,809	6,03,29,021
(2) Current Assets			
(a) Current Investments	15	-	17,34,11,800
(b) Inventories	16	36,68,66,298	19,05,73,903
(c) Trade Receivables	17	45,93,06,675	42,85,76,658
(d) Cash & Cash Equivalent	18	56,54,316	67,91,228
(e) Short-Term Loans and Advances	19	1,82,25,805	49,66,012
(f) Other Current Assets	20	7,19,48,583	4,60,06,369
Significant Accounting Policies	1		
TOTAL		5,59,08,93,807	5,34,23,05,384
Notes forming part of accounts	2 to 34		

AS PER OUR REPORT OF EVEN DATE

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**

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

Place : Ahmedabad
Date : 10th May, 2016

**SANJAY JAIN
CHIEF FINANCIAL OFFICER**

**K D MEHTA
COMPANY SECRETARY**

FOR AND ON BEHALF OF THE BOARD

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

Place : Ahmedabad
Date : 10th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Figures in ₹)

Particulars	Note No.	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Revenue from Operations	21	4,48,48,16,979	3,96,87,49,198
Less: Excise Duty		49,79,02,460	45,08,53,594
Revenue from Operations		3,98,69,14,519	3,51,78,95,604
Other Income	22	84,70,771	2,51,38,997
Total Revenue		3,99,53,85,290	3,54,30,34,601
Expenses:			
Cost of Materials Consumed	23	1,78,55,88,234	1,87,86,21,891
Changes in Inventories of Finished Goods, (Work-in-Progress and Stock-in-Trade)	24	69,91,416	(79,04,294)
Employee Benefits Expenses	25	12,00,05,699	10,18,13,949
Finance Expenses	26	19,83,85,596	26,84,60,986
Depreciation and Amortization Expenses	11	44,05,10,461	42,30,25,186
Other Expenses	27	55,16,02,731	45,46,75,325
Total Expenses		3,10,30,84,137	3,11,86,93,043
Profit Before Exceptional, Extraordinary Items and Tax		89,23,01,153	42,43,41,558
Profit Before Tax		89,23,01,153	42,43,41,558
Tax Expense			
Current Tax		19,05,00,000	9,00,00,000
Deferred Tax		4,36,76,617	7,74,95,653
MAT Credit Entitlement		(5,41,95,557)	(9,00,00,000)
Short/(Excess) Provision of Taxation of Earlier Years		15,27,114	-
Profit After Tax from Continuing Operations		71,07,92,979	34,68,45,905
Earnings per Equity Share:			
Basic & Diluted	32	10.05	4.90
Significant Accounting Policies	1		
Notes forming part of accounts	2 to 34		

AS PER OUR REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTSM. M. KHANDWALA
PARTNER
M. NO.: 32472Place : Ahmedabad
Date : 10th May, 2016SANJAY JAIN
CHIEF FINANCIAL OFFICERK D MEHTA
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

J. M. PATEL - DIRECTOR
A. N. SOPARKAR - DIRECTOR
N. M. PATEL - DIRECTORPlace : Ahmedabad
Date : 10th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

(Figures in ₹)

PARTICULARS	As at 31st March 2016	As at 31st March 2015
A. Cashflow from Operating Activities		
Net Profit Before Tax	89,23,01,153	42,43,41,558
Adjustment for :		
Depreciation	44,05,10,461	42,30,25,186
Interest and Finance Charges	19,83,85,596	26,84,60,986
Interest Income	(30,08,019)	(1,42,79,960)
Mark to Market Loss / (Gain) on Derivative	(1,06,89,225)	(1,20,14,628)
(Profit) / Loss on Sale of Investment	(48,37,027)	(92,35,087)
(Profit)/Loss on Sale of Fixed Assets (Net)	2,45,257	39,302
Operating Profit before Exceptional & Extraordinary Item	1,51,29,08,196	1,08,03,37,357
Extraordinary items	-	-
Operating Profit before Working Capital changes	1,51,29,08,196	1,08,03,37,357
Adjustment for:		
Inventories	(17,62,92,394)	3,94,95,790
Trade Receivable	(3,07,30,017)	5,09,64,543
Long term Loans and Advances	2,46,600	-
Short term Loans and Advances	(1,32,59,793)	12,05,416
Other Non Current Assets	(6,98,265)	(6,83,936)
Other Current Assets	(3,15,22,571)	1,10,26,577
Trade Payables	4,61,61,114	3,45,54,629
Other Current Liabilities	9,33,60,141	56,19,119
Long Term Provision	18,56,366	1,01,185
Short Term Provisions	2,74,794	5,54,862
Sub Total	(11,06,04,026)	14,28,38,185
Cash Generated from Operation	1,40,23,04,170	1,22,31,75,542
Direct Taxes Paid	(16,79,24,773)	(10,13,94,250)
Net Cash from Operating Activities	1,23,43,79,397	1,12,17,81,292
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(58,54,19,906)	(3,44,76,448)
Fixed deposits made	-	(68,75,00,000)
Fixed deposits withdrawn	-	68,75,00,000
Interest Received	17,07,317	1,45,89,664
Redemption of Mutual Fund	17,82,48,827	44,98,55,116
Investment in Mutual Fund	-	(61,40,31,829)
Sale of Fixed Assets	3,80,000	10,50,000
Net Cash Used in Investment Activities	(40,50,83,762)	(18,30,13,497)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

(Figures in ₹)

PARTICULARS	As at 31 st March 2016	As at 31 st March 2015
C. Cash flow from Financing Activities		
Interest and Finance Charges Paid	(22,02,72,917)	(28,00,54,390)
Repayment of Term Loan (from Indian Banks)	(32,22,42,277)	-
Repayment of Borrowing (ECB Loan)	(37,91,62,673)	(24,16,81,708)
Increase/(Decrease) in Bank Borrowing	9,12,45,321	(37,12,28,394)
Contribution to CSR Activities	-	-
Interim Dividend Paid	-	(25,47,35,996)
Tax on Interim Dividend	-	(4,32,92,383)
Net Cash Used in Financing Activities	(83,04,32,546)	(1,19,09,92,871)
Net (Decrease)/ Increase in Cash and Cash Equivalent	(11,36,912)	(25,22,25,075)
Cash on Hand -Opening Balance	67,91,228	25,90,16,303
Cash on Hand -Closing Balance	56,54,316	67,91,228
Cash on Hand	1,26,504	1,10,559
Balance with Schedule Banks in Current Accounts	55,27,812	66,80,669
Total Cash & Bank Balance as per Balance Sheet	56,54,316	67,91,228

Notes to the Cash Flow Statement for the year ended on 31.03.2016:-

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

AS PER OUR REPORT OF EVEN DATE

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**
**M. M. KHANDWALA
PARTNER
M. NO.: 32472**
**Place : Ahmedabad
Date : 10th May, 2016**
**SANJAY JAIN
CHIEF FINANCIAL OFFICER**
**K D MEHTA
COMPANY SECRETARY**
FOR AND ON BEHALF OF THE BOARD
**J. M. PATEL - DIRECTOR
A.N.SOPARKAR - DIRECTOR
N.M.PATEL - DIRECTOR**
**Place : Ahmedabad
Date : 10th May, 2016**

NOTES ON FINANCIAL STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

1.1 BASIS FOR PREPARATION OF ACCOUNTS

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

Accounting policies have been consistently applied by the Company.

1.2 USE OF ESTIMATES

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

1.3 REVENUE RECOGNITION

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

ii. Sales

Domestic Sales are accounted exclusive of Excise, net of Central Sales Tax, VAT, Sales Return, Rate Difference, Trade Discount, Quantity Discount and negative realisation, if any. Exports sales are accounted on the basis of dates of Bill of Lading. Sales do not include Inter Division transfer.

iii. Export Benefits

Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis. Duty free imports of material under Advance License matched with the export made against the said licenses.

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

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

1.4 FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

NOTES ON FINANCIAL STATEMENT

1.5 FIXED ASSETS

- i. Fixed assets are stated at cost of acquisition or construction, including borrowing cost till such assets are ready for its intended use, less specific grants received, Cenvat Credit availed and accumulated depreciation. The premium/discount paid on license for import of asset is adjusted to the cost of respective fixed asset.
- ii. Fixed assets in the course of Work-in-Progress for production or administrative purposes are carried at cost less any impairment loss. Work in Progress includes expenditure pending for capitalization and attributable interest. Cost includes land and building improvement costs, related acquisition expenses and construction costs incurred during the period of construction. Depreciation on these assets, provided on the same basis.
- iii. The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.

1.6 EXPENDITURE ON NEW PROJECTS AND SUBSTANTIAL EXPANSION

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

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

1.7 INTANGIBLE ASSETS

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

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

1.8 DEPRECIATION

Except for Leasehold Land and Capital Work-in-Progress and other assets as stated below depreciation is charged on Straight Line Method (SLM) as per rates and manner prescribed under schedule II of the Companies Act, 2013. The estimated useful life of some of the asset is estimated on the basis of past experience of Management and Technical Evaluation by Independent agency. The management estimates that the useful life for Plant and Machinery used in Power generating units as 20 years, as the management believes that useful life represents the period which management expects to use these assets. Hence, the useful lives of these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013.

Leasehold land is amortized over the available balance lease period.

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

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

1.9 IMPAIRMENT OF ASSETS

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the

NOTES ON FINANCIAL STATEMENT

recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset is tested for impairment annually whenever there is an indication that asset may be impaired.

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

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

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

1.10 INVESTMENTS

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

1.11 INVENTORIES

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

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

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

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

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

1.12 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. A qualifying asset is one which is that necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account. Capitalisation of borrowing cost suspended when active development is interrupted.

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

1.13 EMPLOYEE BENEFITS

Contribution to Defined Contribution schemes such as Provident Fund, etc are charged to the Profit and Loss account as incurred. The Company also provides for retirement / post-retirement benefits in the form of gratuity and leave encashment. Such benefits (Defined benefit plans) are provided for based on valuations, as at the Balance Sheet date, made by independent actuaries. Termination benefits are recognized as an expense as and when incurred.

NOTES ON FINANCIAL STATEMENT**1.14 PRIOR YEAR EXPENSES AND INCOME**

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

1.15 EXCISE DUTY

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

1.16 CENVAT

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

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

1.17 ACCOUNTING FOR TAXES ON INCOME

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

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

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

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

1.18 PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when it is more likely than not for the year that an obligation will result in an outflow of resources. Provisions are not discounted to their present value and are determined based on management's estimation of the obligation required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. contingent Liabilities are disclosed for all possible obligations that are not remote and all present obligations of which outflow of economic resources is not estimable.

1.19 FINANCIAL DERIVATIVES TRANSACTIONS

In respect of derivative contracts, premium paid, gains / losses on settlement and provision for losses for cash flow hedges are recognized in the profit and loss account, in view of announcement made by ICAI in respect of AS 1 and AS 30. Loss on Derivatives pertaining to capital asset have been capitalised to respective Fixed Asset.

1.20 LEASES

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

There are no finance lease transactions entered into by the Company.

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

NOTES ON FINANCIAL STATEMENT

2 SHARE CAPITAL

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
AUTHORISED		
7,50,00,000 Equity Shares (Previous Year 7,50,00,000) each share ₹ 10/-	75,00,00,000	75,00,00,000
25,00,000 Preference Shares (Previous Year 25,00,000) each share of ₹ 100 /-	25,00,00,000	25,00,00,000
	1,00,00,00,000	1,00,00,00,000
ISSUED, SUBSCRIBED & PAID UP		
7,07,59,999 Equity Shares (Previous Year 7,07,59,999) each share of ₹ 10 /- Fully Paid Up	70,75,99,990	70,75,99,990
	70,75,99,990	70,75,99,990

2.1 Reconciliation of No. of Shares

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Opening Balance	7,07,59,999	7,07,59,999
Add: Shares issued	-	-
Out standing at the end of the year	7,07,59,999	7,07,59,999

2.2 Details of Shareholding

PARTICULARS	31 st March 2016	31 st March 2015
Number of Shares held by		
(a) Holding Company(Meghmani Organics Limited)	4,04,46,820	4,04,46,820
% of Share held	57.16%	57.16%
Shareholders holding more than 5% of shares		
(b) International Finance Corporation	1,76,66,050	1,76,66,050
% of Share held	24.97%	24.97%

2.3 The Company is having only one class of share i.e. Equity Share carrying a nominal value of ₹ 10/- each and Each Equity Share has 1 voting right. All equity Share holders have equal dividend rights.

3. RESERVES AND SURPLUS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
SECURITY PREMIUM		
As per last Balance Sheet	1,41,41,99,980	1,41,41,99,980
Addition for the year	-	-
Sub Total (A)	1,41,41,99,980	1,41,41,99,980
SURPLUS IN PROFIT & LOSS STATEMENT		
As per last Balance Sheet	8,05,65,535	3,37,77,369
Less: Effect of Transitional provisions as per Schedule II of the Companies Act, 2013	-	(20,29,361)
Profit for the year	71,07,92,979	34,68,45,906
Less: Interim Dividend Paid	-	(25,47,35,996)
Less: Tax on Interim Dividend	-	(4,32,92,383)
Sub Total (B)	79,13,58,514	8,05,65,535
Total (A+B)	2,20,55,58,494	1,49,47,65,515

NOTES ON FINANCIAL STATEMENT

4. LONG TERM BORROWINGS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
SECURED BORROWINGS		
From Bank		
Term Loan	85,93,13,816	1,20,84,08,536
External Commercial Borrowing	-	13,39,28,571
From Financial Institution		
External Commercial Borrowing	28,39,49,927	44,64,28,271
[Refer Note 9 for current maturities of term loan from Banks and Financial Institutions ₹ 68,03,69,717(Previous Year ₹ 76,86,70,847)]		
Total	1,14,32,63,743	1,78,87,65,379

Note:

- 1) ICICI Bank Limited has refinanced term loan of ₹ 2,20,00,00,000. The entire facility of ₹ 2,20,00,00,000 has been secured by Deed of Hypothecation dated 30th January, 2012 the whole of movable properties of the Company, including its movable plant & machinery, machinery spares, tools and accessories other movables both present and future where ever situate including Raw Material, Stock in Process, Finished Goods, Book Debts, Bills situated any where.

The rate of interest of term loan from ICICI Bank Limited is @ Base Rate plus 1.92% (spread). The repayment of this loan started from March 2012.

This charge is jointly held with (1) First pari passu charge on movable fixed assets for (1) US \$ 2,00,00,000 to International Finance Corporation (IFC) Washington USA (2) US \$ 1,50,00,000 to Standard Chartered Bank (SCB), London and Second Pari Passu charge on all the Current Assets of the Company along with other lenders.

The indenture of mortgage on immovable properties of the Company situated at Plot No. CH 1 and CH 2 has been created on 18th October, 2012 to secure term loan of ₹ 2,20,00,00,000 of ICICI Bank and ECB of US\$ 1,50,00,000 (₹ 76,50,00,000) of Standard Chartered Bank, London. Alongwith this the Indenture of Mortgage created to secure term loan by way of ECB availed from IFC of US\$ 2,00,00,000 (₹ 86,45,48,645)

- 2) The Company has availed a Foreign Exchange Term Loan by way of External Commercial Borrowing of US \$ 2,00,00,000 (₹ 86,45,48,645) from International Finance Corporation (IFC), Washington, USA. The Company has executed Unattested Memorandum of Hypothecation on 11th December, 2008 in favour of International Finance Corporation (IFC), Washington, USA represented by State Bank of India in its capacity as Security Trustee to secure Foreign Exchange Term Loan of External Commercial Borrowing of US \$ 2,00,00,000 by way of creating First Pari Passu charge on movable fixed assets and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.

The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US \$ 2,00,00,000 from International Finance Corporation (IFC) is 1.80% per annum above 6 month LIBOR. The repayment started from October 2011 in 14 half yearly equal installments.

- 3) The Company has availed US \$ 1,50,00,000 (₹ 76,50,00,000) ECB from Standard Chartered Bank (SCB), United Kingdom by executing Memorandum of Hypothecation dated 16th February, 2012. The entire facility has been secured by (1) First pari passu charge on all present and future movable fixed assets of the Company including movable plant and machinery etc. and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.

The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US \$ 1,50,00,000 from Standard Chartered Bank (SCB) is 2.80% per annum above 3 month LIBOR. The repayment started from May 2013 in 14 quarterly equal installments.

NOTES ON FINANCIAL STATEMENT

5. LONG TERM PROVISIONS

(Figures in ₹)

PARTICULARS	31st March 2016	31st March 2015
Provision for Employee Benefits	24,96,000	6,39,634
Provision for Option Derivative	1,47,13,613	2,54,02,838
Total	1,72,09,613	2,60,42,472

6. DEFERRED TAX LIABILITIES

(Figures in ₹)

PARTICULARS	31st March 2016	31st March 2015
Deferred Tax Liabilities	25,14,32,348	30,81,59,706
Deferred Tax Assets	(31,50,569)	(10,35,54,544)
Total	24,82,81,779	20,46,05,162

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

DEFERRED TAX ASSET / LIABILITY (NET)

(Figures in ₹)

PARTICULARS	31st March 2016	31st March 2015
Deferred Tax Liability		
Difference in book & tax depreciation on Fixed Assets	24,51,63,001	29,49,06,646
Expenditure Claimed as deduction in Tax	62,69,346	1,32,53,059
Deferred Tax Liabilities	25,14,32,348	30,81,59,706
Deferred Tax Asset		
Disallowance under Income Tax Act	31,50,569	24,13,293
Unabsorbed Depreciation	-	10,11,41,251
Deferred Tax Assets	(31,50,569)	(10,35,54,544)
Net Position of Deferred Tax Liabilities	24,82,81,779	20,46,05,162
Net Position debited to Statement of Profit and Loss	4,36,76,617	7,74,95,653

Note: Effect of Transitional provisions as per Schedule II of the Companies Act, 2013 amounting ₹ NIL Previous Year (₹10,74,018) has been adjusted to opening balance of Deferred Tax Liabilities

NOTES ON FINANCIAL STATEMENT

7. SHORT TERM BORROWINGS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Bank Borrowing	9,12,45,321	-
Total	9,12,45,321	-

Note:

The Company has availed working capital facility of ₹ 20 Crores from ICICI Bank Ltd and ₹ 24 Crores from Standard Chartered Bank aggregating to ₹ 44 Crores. The entire facility of ₹ 44 Crores has been secured by First charge on all the Company's current assets ranking pari-passu basis on both present and future current assets of the Company.

The Rate of interest stipulated by ICICI bank is sum of I-base and "spread" per annum, subject to minimum rate of I-Base +1.50% p.a. plus applicable interest taxes or other Statutory levy, if any, on the principal amount remains outstanding each day. As on date I-Base is 9% and spared 1.5% for working capital facility.

The Rate of interest stipulated by Standard Chartered Bank is Base Rate + Margin.

8. TRADE PAYABLES

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Trade Payable for Micro Enterprise & Small Enterprise	78,48,979	64,74,152
Trade Payable - Other	26,01,79,930	21,53,93,643
Total	26,01,79,930	21,53,93,643

The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Creditors are subject to confirmation.

The Company has entered into a contract for High Sea Purchase of Coal with Supplier's. However, as per the terms of contract the Company gets piecemeal delivery of the goods. Therefore, the Company is accounting purchase on delivery basis of the goods. This accounting treatment does not affect the Profit or Loss of the Company.

NOTES ON FINANCIAL STATEMENT

8.1 DISCLOSURES AS PER MSMED ACT, 2006

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

The details as required by MSMED Act are given below:

(Figures in ₹)

PARTICULARS	31st March 2016	31st March 2015
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	78,48,979	64,74,152
Interest	8,31,546	2,46,773
The amount of interest paid by the buyer in terms of Section 18 of MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day during each Accounting Year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	4,85,569	1,94,535
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	4,90,818	2,46,773
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.	8,31,546	3,72,274

9 CURRENT LIABILITIES

(Figures in ₹)

PARTICULARS	31st March 2016	31st March 2015
Current maturities of Long-Term Debt (Refer Note No. 4 related to long-term secured borrowings)	68,03,69,717	76,86,70,847
Interest accrued but not due	1,24,11,518	1,77,37,936
Provision for Tax (Net of Advance Tax)	1,72,21,282	-
Other Payables		
1) Statutory Payments	2,36,48,225	2,50,14,008
2) Security Deposits	2,70,00,000	2,65,00,000
3) Payable against Retention Money	-	5,57,456
4) Payable to Employees	1,48,04,914	1,25,31,308
5) Advance Received from Customers	11,18,514	10,74,929
6) Payables related to Capital Goods	11,40,27,354	3,79,81,981
7) Unpaid Expenses	1,69,26,223	9,64,680
8) MSMED Interest	8,31,546	3,72,274
Total	90,83,59,293	89,14,05,419

10 SHORT TERM PROVISIONS

(Figures in ₹)

PARTICULARS	31st March 2016	31st March 2015
Provision for Employee Benefits	8,46,665	7,65,254
Provision for Gratuity	5,00,000	2,76,617
Provision for Wealth Tax	-	30,000
Provision for Option Derivative	-	61,81,782
Total	13,46,665	72,53,653

NOTES ON FINANCIAL STATEMENT

11. TANGIBLE AND INTANGIBLE ASSETS

Description	Gross Block				Depreciation / Amortisation			Net Block		
	1 st April, 2015	Addition	Deduction/ Adjustment	31 st March 2016	1 st April, 2015	For the Year	Deduction/ Adjustment	Up to 31 st March, 2016	31 st March 2015	31 st March 2016
TANGIBLE ASSET										
Lease Hold Land	12,91,21,892	-	-	12,91,21,892	1,02,01,055	13,06,822	-	1,15,07,877	11,76,14,015	11,89,20,837
Building	1,05,17,29,868	7,17,657	-	1,05,24,47,525	14,71,63,140	4,36,00,722	-	19,07,63,862	86,16,83,663	90,45,66,728
Plant & Machineres Equipments	3,66,71,28,939	3,00,81,924	-	3,69,72,10,863	1,81,79,92,140	33,06,95,562	-	2,14,86,77,702	1,54,85,33,161	1,84,91,46,799
Captive Power Plant & Equipments	1,73,36,50,412	(6,04,28,937)	-	1,67,32,21,475	50,79,53,850	6,02,84,219	-	56,82,38,069	1,10,49,83,406	1,22,56,96,562
Furnitures & Fixtures	72,15,353	4,22,487	-	76,37,840	30,30,327	10,25,774	-	40,56,101	35,81,739	41,85,026
Office Equipments	60,72,678	2,85,943	-	63,58,621	48,54,797	3,25,891	-	51,80,689	11,77,932	12,17,881
Vehicles	73,66,251	-	9,65,579	64,00,672	17,71,093	8,20,642	(3,40,322)	22,51,414	41,49,258	55,95,158
Computers & Printers	26,72,738	5,51,921	-	32,24,659	20,29,698	3,14,697	-	23,44,396	8,80,263	6,43,040
TOTAL (A)	6,60,49,58,131	(2,83,69,005)	9,65,579	6,57,56,23,547	2,49,49,86,100	43,83,74,329	(3,40,322)	2,93,30,20,110	3,64,26,03,438	4,10,99,72,030
INTANGIBLE ASSET										
GLDC Usage Rights	16,91,69,524	-	-	16,91,69,524	16,70,29,458	21,36,132	-	16,91,65,590	3,934	21,40,066
TOTAL (B)	16,91,69,524	-	-	16,91,69,524	16,70,29,458	21,36,132	-	16,91,65,590	3,934	21,40,066
TOTAL (A+B)	6,77,41,27,655	(2,83,69,005)	9,65,579	6,74,47,93,071	2,66,20,15,558	44,05,10,461	(3,40,322)	3,10,21,85,700	3,64,26,07,372	4,11,21,12,096
Capital Work in Progress	5,79,56,939	58,07,94,803	42,165	63,87,09,577	-	-	-	-	63,87,09,577	5,79,56,939
Expenditure Incurred During Construction Period	1,49,09,447	4,12,48,390	-	5,61,57,837	-	-	-	-	5,61,57,837	1,49,09,447
Total	6,84,69,94,042	59,36,74,188	10,07,744	7,43,96,60,486	2,66,20,15,558	44,05,10,461	(3,40,322)	3,10,21,85,700	4,33,74,74,766	4,18,49,78,482

Notes:

- The Company has opted for Notification No. GSR:225(E) issued by the Ministry of Corporate Affairs on March 31, 2009 in respect of accounting periods commencing on or after December 07, 2006 and ending on or before March 31, 2011. And in view of MCA Circular no 25/2012 dated 9th August 2012, para 6 of AS11 and para 4 (e) of AS16 are not applicable to the Company as Company has applied Clause 46 A of AS11.
- In view of above during the current year exchange gain of ₹ 32,397,816 (Previous Year exchange gain of ₹ 20,01,007) arising on reporting of long term foreign currency monetary item related to fixed assets has been added/deducted to cost of fixed asset and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹ 7,06,97,772 (Previous Year ₹ 12,44,50,934)
- Borrowing cost capitalised during the year ₹ 3,67,40,380 (Previous Year: ₹ 1,11,92,766) to respective qualifying assets.
- The management has technically reviewed the estimated useful life of plant and machinery related to power generating unit as 20 years is different from those prescribed under part C of schedule II to the Companies Act 2013. The Companies has applied Schedule II of the Companies Act 2013 w.e.f. 1st April 2014 and NIL (Previous Year ₹ 20,29,361 (net of Deferred Tax ₹ 10,74,018) has been deducted from the opening balance of retained earnings for the assets where remaining useful life as per schedule - II was NIL.

NOTES ON FINANCIAL STATEMENT

12 NON CURRENT INVESTMENTS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Trade Investments		
NSC Deposit - Unquoted	10,000	10,000
Total	10,000	10,000
Aggregate Value Of Unquoted Investments		
Non Current	10,000	10,000
Current	-	-

13 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Capital Advances to Vendor	4,27,07,986	5,27,59,319
MAT Credit Entitlement	23,31,95,557	17,90,00,000
Security Deposits	1,46,55,992	1,49,02,592
Total	29,05,59,535	24,66,61,911

14 OTHER NON CURRENT ASSETS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Unamortised Upfront Charges on Borrowings	1,81,15,308	3,82,94,785
Term Deposit as Margin Money with Schedule Bank	2,27,32,501	2,20,34,236
Total	4,08,47,809	6,03,29,021

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

15 CURRENT INVESTMENTS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Investments in Mutual Funds (Quoted/Unquoted) (Fully Paid/ Partly Paid)		
UTI Short Term Income Fund	-	1,62,10,818
Reliance Regular Savings Fund - Debt Option	-	1,00,00,000
Tata Short Term Bond Fund Plan A	-	6,44,35,739
DSP Black Rock Income Opportunities Fund	-	1,00,00,000
Tata Dynamic Bond Fund Plan A	-	7,27,65,243
Total	-	17,34,11,800

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Aggregate Value of Quoted Investments		
Current: Carrying Amount	-	17,34,11,800
Market Value	-	17,59,99,766

NOTES ON FINANCIAL STATEMENT

16 INVENTORIES

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Raw Materials	22,47,47,728	6,32,77,337
Finished Goods	2,45,73,536	3,15,64,952
Stores and Spares	11,58,35,437	9,47,22,065
Others (Packing Material).	17,09,597	10,09,549
Total	36,68,66,298	19,05,73,903

Mode of Valuation of Inventories

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

17 TRADE RECEIVABLES

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Outstanding for a period exceeding Six months (Unsecured & Considered Good)	1,44,25,685	18,72,697
Considered Doubtful	-	-
Less: Provision for Doubtful Trade Receivables	-	-
	1,44,25,685	18,72,697
Others Un secured & Considered Good [includes ₹ 16,03,89,394 (Previous Year ₹ 2,28,18,262) from Holding Company]]	44,48,80,990	42,67,03,961
Total	45,93,06,675	42,85,76,658

The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Trade Receivables are subject to confirmation.

NOTES ON FINANCIAL STATEMENT

18 CASH AND CASH EQUIVALENTS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Balances with Banks In Current Account	55,27,812	66,80,669
Cash on Hand	1,26,504	1,10,559
Total	56,54,316	67,91,228

19 SHORT TERM LOANS AND ADVANCES

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Other Advances (Unsecured & Considered Good)	1,55,93,805	49,66,012
Tender Deposit	26,32,000	-
Total	1,82,25,805	49,66,012

20 OTHER CURRENT ASSETS

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Balance with Government Department	6,29,34,081	3,14,31,126
Advance Income Tax (Net of Provision)	-	68,81,059
Other Current Assets	53,23,653	41,19,120
Prepaid Expenses	36,90,849	35,75,064
Total	7,19,48,583	4,60,06,369

21 REVENUE FROM OPERATIONS

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Sale of Products (Net of Taxes):		
Caustic	3,75,93,88,195	3,32,17,62,613
Chlorine	15,61,40,017	14,06,99,306
Others	7,12,20,858	5,53,82,852
Total Sales	3,98,67,49,070	3,51,78,44,771
Other Operating Revenue	1,65,449	50,833
Total	3,98,69,14,519	3,51,78,95,604

21.1 Earning in Foreign Currency

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
FOB value of Export	14,46,64,099	4,08,69,764

NOTES ON FINANCIAL STATEMENT

22 OTHER INCOME

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Interest Received on FDR	28,23,505	1,41,35,559
Interest Received Others	1,84,514	1,44,401
Other Non-operating Income		
Profit on Sale of Investments	48,37,027	92,35,087
Sundry Balances written Off	6,25,725	16,23,950
Total	84,70,771	2,51,38,997

23 COST OF MATERIAL CONSUMED

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Common Salt	22,34,67,641	31,01,84,203
Barium Carbonate	4,88,93,353	9,07,92,971
Sulphuric Acid	1,15,57,001	84,64,445
Soda Ash light	1,85,70,422	99,22,245
Steam Coal	1,45,68,39,428	1,41,44,27,387
Others	2,62,60,389	4,48,30,640
Total	1,78,55,88,234	1,87,86,21,891

23.1 Value of Imported and Indigenous Raw Materials, Stores, Components and Spare Parts Consumed.

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Raw Materials		
Imported	-	-
Indigenous	1,78,55,88,234	1,87,86,21,891
	1,78,55,88,234	1,87,86,21,891
Spare Parts		
Imported	1,07,37,141	1,32,70,214
Indigenous	4,81,31,738	5,90,70,575
	5,88,68,879	7,23,40,789
Total	1,84,44,57,113	1,95,09,62,680

NOTES ON FINANCIAL STATEMENT

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

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Opening Stock		
Finished Goods	2,60,08,244	1,96,29,636
Excise Duty on Finished Goods	55,56,708	40,31,022
Total (A)	3,15,64,952	2,36,60,658
Closing Stock		
Finished Goods	1,91,32,564	2,60,08,244
Excise Duty on Finished Goods	54,40,972	55,56,708
Total (B)	2,45,73,536	3,15,64,952
(Increase)/Decrease Total (A - B)	69,91,416	(79,04,294)

25 EMPLOYEE BENEFITS EXPENSES

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Salaries and Wages	9,87,81,389	8,41,49,369
Statutory Contributions	58,77,055	53,92,759
Staff Welfare Expenses	1,53,47,255	1,22,71,821
Total	12,00,05,699	10,18,13,949

26 FINANCE EXPENSES

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Interest Expense	17,56,87,084	26,21,68,866
Prepayment Premium	1,53,48,725	24,23,484
Upfront Fees	48,30,752	36,23,063
Loan Processing Charges	10,00,000	-
Bank Charges	15,19,035	2,45,573
Total	19,83,85,596	26,84,60,986

NOTES ON FINANCIAL STATEMENT

27 OTHERS EXPENSES

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Consumption of Stores and Spare parts	5,88,68,879	7,23,40,789
Consumption of Packing Materials	2,65,26,506	2,39,40,921
Power and Fuel	19,77,994	26,10,118
Electricity Duty on Own Generation	15,64,37,652	12,98,22,271
Renewal Purchase Obligation	5,30,63,043	-
Repairs to Buildings	65,39,172	49,86,824
Repairs to Machinery	1,50,15,308	2,59,91,747
Insurance	99,27,780	96,27,359
Rates and Taxes	29,79,661	11,88,670
Water Charges	7,90,24,441	6,33,03,809
Labour Contract	5,80,87,848	5,58,83,020
Quantity Rebate & Discount	3,36,67,582	3,33,07,351
Gain on Derivatives	(1,06,89,225)	(1,20,14,628)
Loss on Sale of Assets	2,45,257	39,302
Miscellaneous expenses		
(a) Manufacturing Expenses	5,39,089	(11,17,506)
(b) Administrative Expenses	3,79,22,877	2,08,35,053
(c) Selling and Distribution Expenses	1,97,68,867	2,25,30,225
Payments to the Auditor as :-		
(a) Statutory Audit	14,00,000	12,00,000
(b) for Taxation Matters	1,00,000	1,00,000
(c) for Other Services	2,00,000	1,00,000
Total	55,16,02,731	45,46,75,325

27.1 Details of Expenditure in Foreign Currency

(Figures in ₹)

PARTICULARS	YEAR ENDED ON 31.03.2016	YEAR ENDED ON 31.03.2015
Interest on ECB loan	2,29,23,576	3,47,41,428
Installment to IFC and SCB against ECB Borrowing	37,91,62,675	37,12,28,396
Other Expenses Including Capital Expenditure	19,62,50,424	8,64,48,852
Foreign Travelling	9,60,058	1,04,975
Others	8,52,22,718	-
Total	68,45,19,451	49,25,23,651

NOTES ON FINANCIAL STATEMENT

28 CONTINGENT LIABILITIES & COMMITMENTS

(Figures in ₹)

Contingent Liabilities and Commitments not provided for in the accounts:

PARTICULARS	31st March 2016	31st March 2015
In respect of Bank Guarantee (SBI)	2,07,14,207	2,07,14,207
In respect of Bank Guarantee (ICICI)	2,25,62,500	19,30,000
In respect of Letter of Credit (ICICI)	4,95,54,176	-
In respect of Letter of Credit (SCB)	2,23,55,912	5,21,25,000
In respect of Service Tax	1,28,17,614	45,31,565

The Estimated amount of contract for Caustic Potash Plant (KOH) of 60 TPD remaining to be executed on capital account of ₹ NIL (Previous Year ₹ 17,17,56,038) has not provided for.

29 EMPLOYEE BENEFITS

As per revised Accounting Standard 15 (AS-15) "Employees Benefits", the Company has recognized in the Financial Statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2016.

Defined Benefit Obligation recognized in statement of Profit and Loss Account

(Figures in ₹)

PARTICULARS	Gratuity	
	2015-2016	2014-2015
Current Service Cost	13,63,000	7,51,000
Interest Cost	4,01,000	2,80,000
Expected return on plan assets	(3,66,000)	(4,36,000)
Actuarial (gain)/loss	4,09,000	16,85,000
Total Expenses recognized in the Statment of Profit and Loss	18,07,000	22,80,000

Defined Benefit Obligation recognized in Balance Sheet

(Figures in ₹)

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Present Value of Funded Obligation	68,06,000	50,41,000
Fair Value of Plan Assets	48,09,000	47,64,000
Present Value of Unfunded Obligation	19,97,000	2,77,000
Unrecognised past Service Cost	-	-
Net Liability	19,97,000	2,77,000
Assets /(Liabilities) in Balance Sheet	19,97,000	2,77,000

Change in present value of Defined Benefit Obligation

(Figures in ₹)

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Opening Balance of present Value of Obligation	50,41,000	30,11,000
Current Service cost	13,63,000	7,51,000
Interest cost	4,01,000	2,80,000
Acturial Loss /(Gains)	3,48,000	16,74,000
Benefit Paid	(3,47,000)	(6,75,000)
Closing Balance of Present Value of Obligation	68,06,000	50,41,000

NOTES ON FINANCIAL STATEMENT

Changes in the Fair value of Plan Assets

(Figures in ₹)

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Opening Balance of Present Value of Plan Assets	47,64,000	50,14,000
Expected Return on Plan Assets	3,66,000	4,36,000
Actuarial Gain/(Loss)	(61,000)	(11,000)
Contribution By Employer	87,000	-
Benefit Paid	(3,47,000)	(6,75,000)
Fair Value of Plan Assets as at 31 st March, 2016	48,09,000	47,64,000

Actuarial Assumption

PARTICULARS	Gratuity	
	2015-2016	2014-2015
Discount Rate (Per Annum)	7.80%	9.31%
Expected Return on Assets (Per Annum)	7.96%	8.70%
Annual Increase in Salary Cost (Per Annum)	6.00%	6.00%
Attrition rate	2.00%	2.00%

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

PARTICULARS	Gratuity	
	2015-2016	2014-2015
Government of India Securities	0%	0%
High Quality Bond	0%	0%
Equity Share of Listed Companies	0%	0%
Property	0%	0%
Insurance Company	100%	100%

Net Asset/(Liability) recognized in Balance Sheet

(Figures in ₹)

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Defined Benefit obligation	68,06,000	50,41,000
Plan Assets	48,09,000	47,64,000
Surplus/(Deficit)	(19,97,000)	(2,77,000)
Net Opening Liability	2,77,000	(19,13,241)
Charged to Statement of Profit and Loss	18,07,000	21,89,857
Contribution Paid	(87,000)	-
Closing Net Liability	19,97,000	2,76,617

NOTES ON FINANCIAL STATEMENT

30 RELATED PARTY DISCLOSURES

(Figures in ₹)

Sr. No.	Name of Related Party	Relationship
1	Meghmani Organics Limited (MOL)	Holding Company
2	Meghmani Dyes & Intermediates LLP (MDIL)	} Enterprise in which Directors &KMP have significant influence
3	Meghmani Industries Limited (MIL)	
4	Meghmani Pigments (MP)	
5	Meghmani Unichem LLP (MUL)	
6	Matangi Industries LLP	
7	Vidhi Global Chemicals Limited	
8	Panchratan Corporation	} Relatives of Key Managerial Personnel (KMP) (Employees)
9	Tapsheel Enterprise	
10	Mr. Maulik Patel	
11	Mr. Kaushal Soparkar	

Transaction with Related Parties:

(Figures in ₹)

Particulars	Holding Company		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Relatives of Key Managerial Personnel (KMP)		Total	
	F.Y. 2016	F.Y. 2015	F.Y. 2016	F.Y. 2015	F.Y. 2016	F.Y. 2015	F.Y. 2016	F.Y. 2015
Sale of Goods	38,14,35,238	25,90,74,939	-	-	-	-	38,14,35,238	25,90,74,939
Sale of Goods to MDIL	-	-	2,31,71,671	2,27,49,948	-	-	2,31,71,671	2,27,49,948
Sale of Goods to MIL	-	-	2,93,41,461	3,50,06,984	-	-	2,93,41,461	3,50,06,984
Sale of Goods to MP	-	-	1,63,58,651	1,59,71,455	-	-	1,63,58,651	1,59,71,455
Sale of goods to MUL	-	-	17,85,16,428	13,61,81,033	-	-	17,85,16,428	13,61,81,033
Sale of Goods to Tapsheel	-	-	17,65,091	8,26,018	-	-	17,65,091	8,26,018
Purchase of Goods	7,82,431	5,94,663	-	-	-	-	7,82,431	5,94,663
Maulik Patel- Salary	-	-	-	-	10,66,260	8,44,126	10,66,260	8,44,126
Kaushal Soparkar- Salary	-	-	-	-	9,49,121	7,36,243	9,49,121	7,36,243
Total	38,22,17,669	25,96,69,602	24,91,53,302	21,07,35,437	20,15,381	15,80,369	63,33,86,352	47,19,85,408

Outstanding Balance with Related Parties:

(Figures in ₹)

Particulars	Holding Company		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Relatives of Key Managerial Personnel (KMP)		Total	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2016
Debtors	16,03,89,394	2,28,18,262	6,13,50,441	3,38,88,745	-	-	22,17,39,835	5,67,07,007
Advance for Capital Expenditure	-	-	50,00,000	3,00,00,000	-	-	50,00,000	3,00,00,000
Creditors	-	5,94,663	-	-	-	-	-	5,94,663
Salary Payable	-	-	-	-	3,26,091	2,82,741	3,26,091	2,82,741

NOTES ON FINANCIAL STATEMENT

31 SEGMENT REPORTING

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

32 DISCLOSURE OF EARNING PER SHARE AS PER AS 20

(Figures in ₹)

PARTICULARS	31 st March 2016	31 st March 2015
Net Profit after Tax Attributable to Shareholders	71,07,92,979	34,68,45,906
Weighted Average Number of Shares at the end of Year	7,07,59,999	7,07,59,999
Nominal Value of Shares	10	10
Basic / Diluted Earning Per Share (EPS)	10.05	4.90

33 DERIVATIVES

The Company uses derivative contracts to manage foreign currency exposure relating to its underlying transactions and commitments. The Company does not enter into any derivative instrument for trading or speculation purpose. The derivative contracts outstanding as on 31st March 2016 are as under:

(Figures in ₹)

Particulars		No. Of contracts	Amount outstanding in Foreign Currency	Amount outstanding in Indian Currency	Mark to Market Value	Amount outstanding in Foreign Currency	Amount outstanding in Indian Currency	Mark to Market Value
			31 st March 2016			31 st March 2016		
Interest Rate Swap Contract (ECB -IFCI)	USD	3	61,22,143	40,56,22,575	(1,47,13,613)	85,71,000	53,56,87,500	(2,54,02,838)
Currency Swap (ECB -IFCI)	USD	1	10,20,714	6,76,27,425	1,58,14,901	14,29,000	8,93,12,500	1,72,74,185
Full Currency Swap (ECB-SCB)	USD	1	21,42,857	14,19,75,000	4,35,37,221	64,28,571	40,17,85,714	10,96,75,125
Currency Swap (LC-ICICI)	JPY	-	-	-	-	10,00,00,000	5,21,25,000	(61,81,782)

The amount of unhedged foreign exchange exposure as on 31st March 2016 US\$ 61,22,143 (Previous Year US\$ 85,71,000).

NOTES ON FINANCIAL STATEMENT

34 MOVEMENT OF PROVISIONS

(Figures in ₹)

PARTICULARS	2015-2016		2014-2015	
	Derivative Contracts	MSMED Suppliers	Derivative Contracts	MSMED Suppliers
As on 1st April, 2014	3,74,17,466	1,80,067	5,31,96,993	2,71,400
Addition during the year	-	2,46,773	-	93,955
Used during the year	-	-	-	-
Reversed during the year	1,20,14,628	54,566	1,57,79,527	1,85,288
As on 31st March, 2015	2,54,02,838	3,72,274	3,74,17,466	1,80,067
Addition during the year	-	4,90,818	-	2,46,773
Used during the year	-	-	-	-
Reversed during the year	1,06,89,225	31,546	1,20,14,628	54,566
As on 31st March, 2016	1,47,13,613	8,31,546	2,54,02,838	3,72,274
Nature and purpose of Estimated timing of outflow	Provide for swap contract as per Accounting Standard 1 (AS-1)	Provide interest to MSMED Suppliers for overdue payment of 45 days as per MSMED Act, 2006	Provide for swap contract as per Accounting Standard 1 (AS-1)	Provide interest to MSMED Suppliers for overdue payment of 45 days as per MSMED Act, 2006

AS PER OUR REPORT OF EVEN DATE

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**

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

Place : Ahmedabad
Date : 10th May, 2016

**SANJAY JAIN
CHIEF FINANCIAL OFFICER**

**K D MEHTA
COMPANY SECRETARY**

FOR AND ON BEHALF OF THE BOARD

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

Place : Ahmedabad
Date : 10th May, 2016

NOTICE

Notice is hereby given that 9th Annual General Meeting of the Members of the Company will be held on **Friday, 15th July, 2016 at 10.30 A.M.** at the registered office of the Company, to transact the following business :-

ORDINARY BUSINESS:-

- 1) To receive, consider and adopt the Audited Balance sheet as at 31st March, 2016, Statement of Profit and Loss and Cash Flow Statement for the financial year ended on 31st March, 2016, together with reports of Board of Directors and the Auditor's thereon.
- 2) To appoint a Director in place of Mr. Balkrishna Thakkar (Din – 00430220), who retires by rotation and being eligible offers himself for re-appointment for a period of five years.
- 3) To appoint a Director in place of Dr. Arvind K Patel (DIN – 06756000), who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:-

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

APPOINTMENT OF MR. MAULIK PATEL AS DIRECTOR

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules), including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Maulik Patel, (DIN No. 2006947)** who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 10th May, 2016 pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non Executive – Non Independent Director.”

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

APPOINTMENT OF MR. KAUSHAL SOPARKAR AS DIRECTOR

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualifications of Directors) Rules 2014 (the Rules), including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Kaushal Soparkar (DIN No. 01998162)**, who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 10th May, 2016 pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non Executive – Non Independent Director.”

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

APPOINTMENT OF MR. KARANA PATEL AS DIRECTOR

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualifications of Directors) Rules 2014 (the Rules), including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Karana Patel (DIN No. 01727321)** who

was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 10th May, 2016 pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non Executive – Non Independent Director.”

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

APPOINTMENT OF MR. ANKIT PATEL AS DIRECTOR

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualifications of Directors) Rules 2014 (the Rules), including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Ankit Patel (DIN No. 02180007)**, who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 10th May, 2016 pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non Executive – Non Independent Director.”

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

APPOINTMENT OF MR. DARSHAN PATEL AS DIRECTOR

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualifications of Directors) Rules 2014 (the Rules), including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Darshan Patel, (DIN No. 02047676)** who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 10th May, 2016 pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non Executive – Non Independent Director.”

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

APPOINTMENT OF THE COST AUDITORS OF THE COMPANY FOR FY 2016-17

“**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), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on 31st March, 2017, be paid a remuneration of ₹ **1,00,000 (Rupees One Lakh 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

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

AUTHORITY FOR RELATED PARTY TRANSACTIONS

"**RESOLVED THAT** pursuant to Section 188(1) of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to enter into the transactions with Related Party for Sale of Caustic/Chlorine and other products manufactured by the Company to the extent as set out hereunder for a period of three (3) years commencing from 01 April, 2016:-

Name of the party	Nature of Interest/Relationship	Value of estimated transaction (₹ In Crores) Per Annum
Meghmani Organics Limited	Holding Company	100
Tapsheel Enterprise	Directors /Relatives hold more than 2%	20
Vidhi Global Chemicals Limited	Directors /Relatives hold more than 2%	50
Meghmani Unichem LLP	Directors /Relatives hold more than 2%	50
Meghmani Industries Limited	Directors /Relatives hold more than 2%	20
Meghmani Dyes & Inter. LLP	Directors /Relatives hold more than 2%	20
Meghmani Pigment	Directors /Relatives hold more than 2%	20
Matangi Industries LLP	Directors /Relatives hold more than 2%	30
Trent Chemical Industries	Directors /Relatives hold more than 2%	30

Registered Office:
Plot No. CH1 & CH 2
GIDC Dahej, Taluka : Vagra
Place :- Bharuch
Date : 10th May, 2016

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

**J M PATEL
(DIRECTOR) (DIN 00027224)**

Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
- 2) The proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting
- 3) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
- 4) Explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of Item No. 5 to 11 is annexed and form part of this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 5****APPOINTMENT OF MR. MAULIK PATEL AS DIRECTOR**

Mr. Maulik Patel, (DIN No. 2006947) was appointed as an Additional Director of the Company on 10th May, 2016 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company holds office up to the date of this Annual General Meeting, in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from the Members proposing the name of Mr. Maulik Patel as a candidate for the office of the Director of the Company.

Mr. Maulik Patel, 34 years, holds a Bachelors Degree in Engineering (Chemical) from Saradar Patel University, Vallabh Vidyanagar, Anand and a Masters of Science (Chemical Engineering) from University of Southern California, USA and a Masters of Business Administration from Long Island University, USA.

No one of the Directors except Mr. Jayanti Patel & Mr. Maulik Patel are interested or concerned in the resolution
Your Directors recommend the resolution for approval.

ITEM NO. 6**APPOINTMENT OF MR. KAUSHAL SOPARKAR AS DIRECTOR**

Mr. Kaushal Soparkar, (DIN No. 01998162) was appointed as an Additional Director of the Company on 10th May, 2016 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company holds office up to the date of this Annual General Meeting, in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from the Members proposing the name of Mr. Kaushal Soparkar as a candidate for the office of the Director of the Company.

Mr. Kaushal Soparkar, 34 years holds B.S. (Chemical) from University of New Haven (U.S.) and M.S. (Engineering Management) from University of Northeastern (U.S.).

No one of the Directors except Mr. Ashish Soparkar & Mr. Kaushal Soparkar are interested or concerned in the resolution
Your Directors recommend the resolution for approval.

ITEM NO. 7**APPOINTMENT OF MR. KARANA PATEL AS DIRECTOR**

Mr. Karana Patel, (DIN No. 01727321) was appointed as an Additional Director of the Company on 10th May, 2016 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company holds office up to the date of this Annual General Meeting, in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from the Members proposing the name of Mr. Karana Patel as a candidate for the office of the Director of the Company.

Mr. Karana Patel, 34 years, holds a Diploma in Chemical Engineering from Nirma University and Bachelors of Chemical Engineering from Drexel University USA.

No one of the Directors except Mr. Ramesh Patel & Mr. Karana Patel are interested or concerned in the resolution
Your Directors recommend the resolution for approval.

ITEM NO. 8**APPOINTMENT OF MR. ANKIT PATEL AS DIRECTOR**

Mr. Ankit Patel, (DIN No. 02180007), was appointed as an Additional Director of the Company on 10th May, 2016 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company holds office up to the date of this Annual General Meeting, in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from the Members proposing the name of Mr. Ankit Patel as a candidate for the office of the Director of the Company.

Mr. Ankit Patel, 31 years, holds a Bachelor of Chemical Engineering from D. D. Desai University, Master of Engineering from Griffith, Australia, with main subject Engineering Management and Global Masters in Business Administration with main subject Investment banking from SP Jain Center of Management.

No one of the Directors except Mr. Natwarlal Patel & Mr. Ankit Patel are interested or concerned in the resolution.

Your Directors recommend the resolution for approval.

ITEM NO. 9**APPOINTMENT OF MR. DARSHAN PATEL AS DIRECTOR**

Mr. Darshan Patel, (DIN No. 02047676) was appointed as an Additional Director of the Company on 10th May, 2016 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company holds office up to the date of this Annual General Meeting, in respect of whom the Company has received a Notice under Section 160 of the Companies Act, 2013, from the Members proposing the name of Mr. Darshan Patel as a candidate for the office of the Director of the Company.

Mr. Darshan Patel, 30 years, has done Graduation in Chemical Engineering from Nirma University in the year 2008. He has also been conferred degree of M.S. in Engineering Management from Griffith University, Australia in the year 2009. He has also pursued M.B.A. from NYIT from U.S.A. in the year 2011.

No one of the Directors except Mr. Anand Patel & Mr. Darshan Patel are interested or concerned in the resolution

Your Directors recommend the resolution for approval.

ITEM NO. 10**APPOINTMENT OF THE COST AUDITORS OF THE COMPANY FOR FY 2016-17**

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, 2017.

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. 10 for approval of the remuneration amounting to ₹ 1,00,000 per annum plus applicable service tax and out of pocket expenses payable to the Cost Auditors for the financial year ending on 31st March, 2017. The Board accordingly recommends the resolution at Item No. 10 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. 10 of this Notice.

ITEM NO. 11**RELATED PARTY TRANSACTIONS**

Pursuant to the first proviso of Section 188 (1) of the Companies Act, 2013, as paid up capital of the Company is more than ₹ 1 Crores, no contract or arrangement can be entered in to with a related party for any item specified in sub section (1) except with the prior approval of the General Meeting by an Ordinary Resolution. The approval is sought for the arrangement of Sale of Caustic/Chlorine and other products manufactured by the Company on order to order basis with related parties to the extent as per the limit specified in the resolution for a period of three years from 01st April, 2016.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel Directors of the Company are concerned or interested in the proposed resolution.

Registered Office:

Plot No. CH1 & CH 2
GIDC Dahej, Taluka : Vagra

Place : Bharuch

Date : 10th May, 2016

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

**J M PATEL
(DIRECTOR) (DIN 00027224)**

