MFL

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MEGHMANI FINECHEM LIMITED

Corporate Identity Number (CIN): U24100GJ2007PLC051717

Registered Office: Plot No.CH1/CH2, GIDC Industrial Estate, Dahej, Taluka - Vagara, Bharuch - 392 130, Gujarat, India.

Corporate Office: Meghmani House, Behind Safal Profitaire, Corporate Road, Near Auda Garden, Prahlad Nagar, Ahmedabad–380 015, Gujarat, India

Telephone: +91-79-71761000/29709600 | **Website:** www.meghmanifinechem.com | **Email:** info@meghmanifinechem.com

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF THE MEGHMANI FINECHEM LIMITED ("COMPANY")

STATUTORY ADVERTISEMENT IN COMPLIANCE WITH PARA III (A) (5) OF ANNEXURE I TO SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017 AS AMENDED ("SEBI CIRCULAR") READ WITH RULE 19(7) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 ("SCRR") PURSUANT TO GRANT OF RELAXATION BY SEBI FROM THE APPLICABILITY OF RULE 19(2)(B) OF THE SCRR.

A. ABOUT THE SCHEME OF ARRANGEMENT (the "Scheme")

Hon'ble NCLT has, vide an order dated May 3, 2021 approved the Composite Scheme of Arrangement between Meghmani Organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws. Pursuant to the Scheme, the Remaining Business Undertaking *(as defined in the Scheme)* stands amalgamated in our Company. The Effective Date of the Scheme is May 10, 2021, with the Appointed Date of April 1, 2020. In accordance with the Scheme, our Company has allotted 2,39,03,029 Equity Shares of ₹ 10 each to the shareholders of erstwhile Meghmani Organics Limited as on the Record Date in the ratio of 94:1000, i.e., 94 Equity Shares of our Company for every 1,000 Equity Shares held in erstwhile Meghmani Organics Limited and 2,35,45,985 Equity Shares of ₹ 10 each of our Company held by the erstwhile Meghmani Organics Limited was cancelled.

B. DETAILS OF CHANGE OF NAME AND/OR OBJECT CLAUSE

Our Company was incorporated as *"Meghmani Finechem Limited"* on September 11, 2007 under the Companies Act, 1956 in the state of Gujarat vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli (**"RoC"**). Our Company obtained Certificate of Commencement of Business on September 17, 2007 issued by RoC. There has been no change in name of our Company since incorporation.

Pursuant to Scheme of Arrangement providing for amalgamation of Meghmani Agrochemical Private Limited with our Company sanctioned by Hon'ble NCLT vide its order dated February 11, 2019, the following new Object Clause IIIA was inserted:

"III. The objects to be pursued by the company on its incorporation are:

[A] THE MAIN OBJECT TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION IS:

1. To carry on in India or elsewhere, the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, stockists, agents, sub-agents, consignees, merchants, distributors, jobbers of or otherwise deal in Basic and Fine Chemicals, Caustic Soda, Chlorine, Products manufactured from Chlorine, Polymers, sub Polymers its derivatives, Hydrogen and all kinds of substances, materials, minerals, and products, whether natural or artificial, including in particular, but without limitation, plastics, thermoplastics, Polypropylene, PVC products and Petrochemical products and goods and articles made from them and compounds, intermediates, derivatives, and by-products of them, implementation of the Turnkey Project for any basic and fine chemicals, plastic and petrochemical product and to manufacture moulds and machineries related to Plastic and Petrochemical Product.

2. To carry on the business as manufacturers, processors, importers, exporters, buyers, sellers, dealers, consignors, consignees, agent, stockiest, suppliers of all kinds, types and nature of agrochemicals including organic and inorganic chemicals and allied chemicals used in agriculture pesticides but without limiting the generality of foregoing pigments, dyes, chemicals, auxillaries, intermediates, heavy chemicals and fine chemicals and to invest in group entities."

Other than as disclosed above, there have been no changes in the Object Clause of the Company.

C. CAPITAL STRUCTURE OF THE COMPANY

Share Capital of our Company prior to the Scheme

(Rs. in Lakhs, except share data)

Particulars	Aggregate value at Nominal Value
Authorised Share Capital	
9,50,00,000 Equity Shares of ₹10 each	9,500.00
20,00,000 Preference Shares of ₹100 each	2,000.00
43,26,28,796 Preference Shares of ₹10 each	43,262.88
Total Authorised Share Capital	**54,762.88**
Issued, Subscribed and Paid-up Share Capital	
4,11,93,114 Equity Shares of ₹10 each	4,119.31
21,09,19,871 8% Optionally Convertible Redeemable Preference Shares of ₹10 each	21,091.99
Total Issued, Subscribed and Paid-up Share Capital	**25,111.30**

Share Capital of our Company post the Scheme

(Rs. in Lakhs, except share data)

Particulars	Aggregate value at Nominal Value
Authorised Share Capital	
12,05,00,000 Equity Shares of ₹10 each	12,050.00
20,00,000 Preference Shares of ₹100 each	2,000.00
43,26,28,796 Preference Shares of ₹10 each	43,262.88
Total Authorised Share Capital	**57,312.88**
Issued, Subscribed and Paid-up Share Capital	
4,15,50,158 Equity Shares of ₹10 each	4,155.01
21,09,19,871 8% Compulsorily Redeemable Preference Shares of ₹10 each	21,091.99
Total Issued, Subscribed and Paid-up Share Capital	**25,247.00**

D. SHAREHOLDING PATTERN OF THE COMPANY

1. PRE-SCHEME SHAREHOLDING PATTERN OF OUR COMPANY

Cate-gory	Category of shareholder	Number of share-holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Under-lying Outstand-ing conver-tible securities and No. Of Warrants	Sharehold-ing, as a % assuming full conver-sion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demate-rialised form
								No of Voting (XIV) Rights										
								Class eg: X	Class Y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(Xi) (a)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	22	4,11,93,114	-	-	4,11,93,114	100.00	4,11,93,114	-	4,11,93,114	100.00	-	100.00	-	-	-	-	4,11,93,114
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**22**	**4,11,93,114**	**-**	**-**	**4,11,93,114**	**100.00**	**4,11,93,114**	**-**	**4,11,93,114**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**4,11,93,114**

2. POST-SCHEME SHAREHOLDING PATTERN OF THE COMPANY

The Post Scheme shareholding pattern of the Company as on the date is set forth below:

Cate-gory	Category of shareholder	Number of share-holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Under-lying Outstand-ing conver-tible securities and No. Of Warrants	Sharehold-ing, as a % assuming full conver-sion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateria-lised form
								No of Voting Rights										
								Class eg: X	Class Y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)			-	(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	41	2,93,97,332	-	-	2,93,97,332	72.61	2,93,97,332	0	2,93,97,332	70.75	0	72.61	1,76,47,129	60.03	987	0.00	2,93,97,332
(B)	Public	1,08,409	1,10,91,999	-	-	1,10,91,999	27.39	1,10,91,999	0	1,10,91,999	26.70	0	27.39	-	-	-	-	1,10,91,999
(C)	Non Promoter - Non Public	1	-	-	10,60,827	10,60,827	-	10,60,827	0	10,60,827	2.55	0	-	-	-	-	-	10,60,827
(C1)	Shares Underlying DRs	1	-	-	10,60,827	10,60,827	-	10,60,827	0	10,60,827	2.55	0	-	-	-	-	-	10,60,827
(C2)	Shares Held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**1,08,451**	**4,04,89,331**	**-**	**10,60,827**	**4,15,50,158**	**100.00**	**4,15,50,158**	**0**	**4,15,50,158**	**100.00**	**0**	**100.00**	**1,76,47,129**	**42.47**	**987**	**0.00**	**4,15,50,158**

E. PRE AND POST SCHEME SHAREHOLDING OF THE PROMOTERS AND PROMOTER GROUP

1. *Pre-Scheme Shareholding*

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of pre-scheme paid up equity share capital
1	Ashishbhai Natawarlal Soparkar	21,98,563	5.34
2	Natwarlal Meghjibhai Patel	22,27,305	5.41
3	Jayantibhai Meghjibhai Patel	18,82,414	4.57
4	Rameshbhai Meghjibhai Patel	13,82,414	3.36
5	Anandbhai Ishwarbhai Patel	10,69,983	2.60
6	Taraben Jayantilal Patel	3,16,150	0.77
7	Ankit Natwarlal Patel	16,09,603	3.91
8	Naynaben Anandbhai Patel	94,945	0.23
9	Bhartiben Natubhai Patel	2,29,927	0.56
10	Karana Rameshbhai Patel	5,05,954	1.23
11	Disha Kevatkumar Vanani	3,44,890	0.84
12	Kaushal Ashishbhai Soparkar	15,80,747	3.84
13	Maulik Jayantibhai Patel	18,97,011	4.61
14	Kalpana Rameshbhai Patel	4,42,609	1.07
15	Vaishakhi Dhiren Goyal	3,16,149	0.77
16	Deval A Soparkar	1,58,190	0.38
17	Ruchi Ashishbhai Soparkar	1,58,075	0.38
18	Kruti Adesh Patel	3,16,150	0.77
19	Darshan Anandbhai Patel	3,00,000	0.73
20	Chintan Anandbhai Patel	3,00,000	0.73
21	Nayanaben Ashishbhai Soparkar	3,16,150	0.77
22	Erstwhile Meghmani Organics Limited	2,35,45,985	57.16
23	**Total**	**4,11,93,114**	**100.00**

2. *Post-Scheme Shareholding*

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total paid up equity share capital
A	**Promoters**		
1	Ashish Natawarlal Soparkar	45,89,960	11.05
2	Natwarlal Meghjibhai Patel	41,76,851	10.05
3	Jayantibhai Meghjibhai Patel	35,76,707	8.61
4	Rameshbhai Meghjibhai Patel	28,75,657	6.92
5	Anandbhai Ishwarbhai Patel	18,11,944	4.36
6	Maulik Jayantibhai Patel	20,44,591	4.92
7	Kaushal Ashishbhai Soparkar	17,12,422	4.12
	TOTAL (A)	**2,07,88,132**	**50.03**
B	**Promoter Group**		
8	Taraben Jayantilal Patel	10,07,990	2.43
9	Natwarlal Meghjibhai Patel (HUF)	4,86,194	1.17
10	Ankit Natwarlal Patel	19,15,409	4.61
11	Bhartiben Natwarlal Patel	4,17,927	1.01
12	Karana Rameshbhai Patel	6,91,228	1.66
13	Disha Kevatkumar Vanani	4,85,890	1.17
14	Vaishakhi Dhiren Goyal	4,18,703	1.01
15	Chintan Anandbhai Patel	4,08,476	0.98
16	Darshan Anandbhai Patel	4,07,743	0.98
17	Kalpana Rameshbhai Patel	5,38,390	1.30
18	Deval A Soparkar	1,96,797	0.47
19	Ruchi Ashishbhai Soparkar	1,97,152	0.47
20	Kruti Adesh Patel	3,54,437	0.85
21	Naynaben Anandbhai Patel	1,67,225	0.40
22	Nayanaben Ashishbhai Soparkar	3,29,498	0.79
23	Rameshbhai Meghjibhai Patel (HUF)	95,880	0.23
24	Kantibhai Meghjibhai Patel (HUF)	73,320	0.18
25	Jayantibhai Meghjibhai Patel (HUF)	69,184	0.17
26	Kantibhai Meghjibhai Patel	65,800	0.16
27	Sandhya Maulik Patel	42,746	0.10
28	Haribhai Meghjibhai Patel	40,891	0.10
29	Anand Ishwarbhai Patel (HUF)	35,720	0.09
30	Ganpatbhai Meghjibhai Patel	32,900	0.08
31	Ishwarbhai Meghjibhai Patel	4,700	0.01
32	Popatbhai Meghjibhai Patel	27,113	0.07
33	Jagrutiben Lalitbhai Patel	27,292	0.07
34	Popatbhai M Patel (HUF)	25,380	0.06
35	Hansaben Amrutbhai Patel	12,455	0.03
36	Damini Narendra Patel	13,630	0.03
37	Ashishbhai N. Soparkar (HUF)	11,968	0.03
38	Adesh K Patel	4,050	0.01
39	Dhiren Madhur Goyal	2,021	0.00
40	Amrutbhai Shivrambhai Patel	320	0.00
41	Narendra Bhailalbhai Patel	141	0.00
	Total (B)	**86,09,200**	**20.72**
	Total (A+B)	**2,93,97,332**	**70.75**

F. DETAILS OF TEN LARGEST SHAREHOLDERS OF THE COMPANY AS ON DATE:

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total paid-up equity share capital
1	Ashishbhai Natawarlal Soparkar*	45,89,960	11.05
2	Natwarlal Meghjibhai Patel*	41,76,851	10.05
3	Jayantibhai Meghjibhai Patel*	35,76,707	8.61
4	Rameshbhai Meghjibhai Patel*	28,75,657	6.92
5	Maulik Jayantibhai Patel*	20,44,591	4.92
6	Ankit Natwarlal Patel*	19,15,409	4.61
7	Anandbhai Ishwarbhai Patel*	18,11,944	4.36
8	Kaushal Ashishbhai Soparkar*	17,12,422	4.12
9	DBS Nominees (Private) Limited	10,60,827	2.55
10	Taraben Jayantilal Patel*	10,07,990	2.43

**These shareholders are part of the Promoters and Promoter Group of the Company and are interested as such.*

G. DETAILS OF PROMOTERS OF THE COMPANY:

The Promoters of our Company are Jayantibhai Meghjibhai Patel, Ashish Natwarlal Soparkar, Natwarlal Meghjibhai Patel, Ramesh Meghjibhai Patel, Anandbhai Ishwarbhai Patel, Maulik Jayantibhai Patel, and Kaushal Ashishbhai Soparkar. Brief details of the Promoters is set forth below:

Name and Address of Promoters	Educational Qualification & Experiences
Jayantibhai Meghjibhai Patel **DIN:** 00027224 **Address:** Satyagrah Chavani Society, 359, Lane- 18, Satellite Road, Ahmedabad City, Ahmedabad- 380015, Gujarat, India.	**Jayantibhai Meghjibhai Patel,** aged 69 years, is the one of the Promoters of our Company. He holds a Bachelor of Chemical Engineering degree from Maharaja Sayajirao University, Baroda. He has more than 40 years of experience in the dyes and pigments industry and more than 23 years of experience in the agrochemicals industry.
Ashish Natwarlal Soparkar **DIN:** 00027480 **Address:** 246-A-line-13, Satyagrah Chavani, Satellite Road, Ahmedabad City, Ahmedabad- 380015, Gujarat, India.	**Ashish Natwarlal Soparkar,** aged 68 years, is the one of the Promoters of our Company. He holds a Bachelor of Chemical Engineering degree from Maharaja Sayajirao University of Baroda. He has more than 40 years of experience in the dyes and pigments industry, and more than 23 years of experience in the agrochemicals industry.
Natwarlal Meghjibhai Patel **DIN:** 00027540 **Address:** B-6, Ashok Vatika, Ambli Bopal Road, Ambli, Ahemdabad-380058, Gujarat, India	**Natwarlal Meghjibhai Patel,** aaged 67 years, is the one of the Promoters of our Company. holds a Masters of Science degree from Sardar Patel University, Gujarat. He has more than 39 years of experience in the dyes and pigments industry and more than 22 years of experience in the agrochemicals industry.
Ramesh Meghjibhai Patel **DIN:** 00027637 **Address:** 54, Shrinath Park Society, Behind Manekbaug Society, Behind Satellite Hospital, Ahmedabad City, Ambawadi, Ahmedabad-380015, Gujarat, India	**Ramesh Meghjibhai Patel,** aged 65 years, is the one of the Promoters of our Company. He holds a Bachelor of Arts degree from Saurashtra University. He has more than 34 years of experience in the pigments industry and more than 23 years of experience in the agrochemicals industry.
Anandbhai Ishwarbhai Patel **DIN:** 00027836 **Address:** Bungalow No.6, Shivalik green Bungalow, Nr Dev Kutir 3, behind Santur Bungalow, Ambli Bopal Road, Ambli, Ahmedabad-380058, Gujarat, India.	**Anandbhai Ishwarbhai Patel,** aged 59 years, is the one of the Promoters of our Company. He holds a Bachelor of Science degree from the Gujarat University. He has more than 30 years of experience in the pigments industry.
Maulik Jayantibhai Patel **DIN:** 02006947 **Address:** Satyagrah Chavani Society, 359, Lane- 18, Satellite Road, Ahmedabad City, Ahmedabad- 380015, Gujarat, India	**Maulik Jayantibhai Patel,** aged 39 years, is the one of the Promoters of our Company. He is a Chairman & Managing Director of our Company. He holds a bachelor's degree in engineering (Chemical) from Sardar 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. He is presently looking after day to day operations of Caustic/Chlorine complex. He has experience of more than 14 years in Chlor alkali and its Derivative Industry.
Kaushal Ashishbhai Soparkar **DIN:** 01998162 **Address:** 246-A- line-13, Satyagrah Chavani, Satellite Road, Ahmedabad City, Ahmedabad-380015, Gujarat, India	**Kaushal Ashishbhai Soparkar,** aged 37 years, is a Managing Director of our Company. He holds bachelor's in Science (Chemical) from University of New Haven (U.S.) and Masters of Science (Engineering Management) from University of Northeastern (U.S.). He has experience of more than 13 years in Chlor alkali and its Derivative Industry.

H. DETAILS OF BOARD OF DIRECTORS OF THE COMPANY

Sr. No.	Name, Designation, Address, Date of Birth, DIN, Occupation, Current Term, Period of Directorship, Nationality and Age	Experience including current / past position held in other entities
1	**Maulik Jayantibhai Patel** **Designation:** Chairman and Managing Director **Address:** Satyagrah Chavani Society, 359, Lane-18, Satellite Road, Ahmedabad City, Ahemdabad-380015, Gujarat, India. **Date of Birth:** September 27, 1981 **DIN:** 02006947 **Occupation:** Business **Current term:** 5 years w.e.f April 1, 2017 **Period of directorship:** Since May 10, 2016 **Nationality:** Indian **Age:** 39	He has experience of more than 14 years in Chlor alkali and its Derivative Industry. ***Current Directorship*** 1. Radha Madhav Processor Private Limited 2. Atvantic Finechem Private limited 3. Amulis Finechem Private Limited 4. Meghmani Advanced Sciences Limited ***Past Directorship*** Meghmani Chemtech Limited and Nouvique Finechem Private Limited
2	**Kaushal Ashishbhai Soparkar** **Designation:** Managing Director & CEO **Address:** 246-A-line-13, Satyagrah Chavani, Satellite Road, Ahmedabad City, Ahmedabad - 380015, Gujarat, India **Date of Birth:** October 14, 1983 **DIN:** 01998162 **Occupation:** Business **Current term:** 5 years w.e.f. April 1, 2017 **Period of directorship:** Since May 10, 2016 **Nationality:** Indian **Age:** 37 years	He has experience of more than 13 years in Chlor alkali and its Derivative Industry. ***Current Directorship*** 1. Radha Madhav Processors Private Limited 2. Nouvique Finechem Private Limited 3. Meghmani Advanced Sciences Limited ***Past Directorship*** Meghmani Chemtech Limited and Amulis Finechem Private Limited
3	**Ankit Natwarlal Patel** **Designation:** Executive Director **Address:** B-6, Ashok Vatika,Ambli Bopal Road, Ambli, Ahmedabad-380058, Gujarat, India. **Date of Birth:** October 1, 1985 **DIN:** 02180007 **Occupation:** Business **Current term:** 5 years w.e.f. April 1, 2017 **Period of directorship:** Director since May 10, 2016 **Nationality:** Indian **Age:** 35 years	He has experience of more than 10 years in Chlor alkali and its Derivative Industry. ***Current Directorship*** 1. Vidhi Global Chemicals Limited 2. Meghmani Novotech Private Limited 3. Meghmani Advanced Sciences Limited ***Past Directorship*** Meghmani Chemtech Limited
4	**Karana Rameshbhai Patel** **Designation:** Executive Director **Address:** 54, Shrinath Park Society, Behind Manekbaug Society, Behind Satellite Hospital, Ahmedabad City, Ambawadi, Ahmedabad-380015, Gujarat, India. **Date of Birth:** August 26, 1981 **DIN:** 01727321 **Occupation:** Business **Current term:** 5 years w.e.f. April 1, 2017 **Period of directorship:** Since May 10, 2016 **Nationality:** Indian **Age:** 39 years	He has experience of more than 13 years in Chlor alkali and its Derivative Industry. ***Current Directorship*** 1. Meghmani Novotech Private Limited 2. Meghmani Advanced Sciences Limited ***Past Directorship*** Meghmani Chemtech Limited and Vidhi Global Chemicals Limited.
5	**Darshan Anandbhai Patel** **Designation:** Executive Director **Address:** Bungalow No.6, Shivalik green Bungalow, Nr Dev Kutir 3, behind Santur Bungalow, Ambli Bopal Road, Ambli, Ahmedabad-380058, Gujarat, India. **Date of Birth:** April 27, 1987 **DIN:** 02047676 **Occupation:** Business **Current term:** 5 years w.e.f. April 1, 2017 **Period of directorship:** Since May 10, 2016 **Nationality:** Indian **Age:** 34 years	He has experience of more than 9 years in Chlor alkali and its Derivative Industry. ***Current Directorship*** 1. Vidhi Global Chemicals Limited 2. Meghmani Advanced Sciences Limited ***Past Directorship*** Meghmani Chemtech Limited.

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6	**Balkrishna Thakkar** **Designation:** Independent Director **Address:** 265, B-13, Stayagrah Chavani, Satellite Road, Ahmedabad City, Ambawadi Vistar, Ahmedabad-380015, Gujarat, India **Date of Birth:** October 13, 1946 **DIN:** 00430220 **Occupation:** Business **Current term:** 5 years w.e.f. July15, 2016 **Period of directorship:** Since March 25, 2009 **Nationality:** Indian **Age:** 74 years	He is currently practicing as a Chartered Accountant in the name and style of Balkrishna Thakkar & Co., a sole proprietorship that he founded in 1975, and his primary practice areas are audit and taxation. No other Directorship ***Past Directorship*** Meghmani Organics Limited
7	**Nirali Bhavin Parikh** **Designation:** Independent Director **Address:** A-401, Ratnakar-3, Premathirth Derasar Road, Satellite Road, Manekbaug, Ahmedabad City, Ahmedabad-380015, Gujarat, India **Date of Birth:** September 13, 1982 **DIN:** 05309425 **Occupation:** Business **Current Term:** 5 years from August 1, 2020 **Period of directorship:** Since July 20, 2015 **Nationality:** Indian **Age:** 38 years	She is currently in the business of marketing of industrial pump. No other Directorship ***Past Directorship*** Nil
8	**Manubhai Khodidas Patel** **Designation:** Independent Director **Address:** 141, Chittvan Bungalows, Bopal, Gala Club Road, Ahmedabad City, Ahemdabad - 380015, Gujarat, India. **Date of Birth:** November 6, 1950 **DIN:** 00132045 **Occupation:** Business **Current term:** 5 years from July 15, 2017 **Period of directorship:** Since May 18, 2017 **Nationality:** Indian **Age:** 70 years	He has more than 37 years Finance and Taxation and in-depth insights in the field of Forex, Treasury and Credit Management. ***Current Directorship*** 1. Cliantha Research Limited 2. Dial for health Unity Limited 3. Meghmani Industries Limited 4. Acme Diet Care Private Limited 5. GVFL Trustee Company Private Limited 6. Vytal Healthcare Private Limited 7. Digicare Healthcare Solutions Private Limited 8. Meghmani Organics Limited ***Past Directorship*** Zydus Wellness Limited, Alidac Pharmaceuticals Limited, Zydus Technologies Limited, Paryavaran Edutech and German Remedies Healthcare Private Limited
9	**Sanjay Asher** **Designation:** Additional (Independent) Director **Address:** 32, Modi Street, 3rd Floor, Fort, Mumbai- 400 001, Maharashtra, India. **Date of Birth:** November 26, 1963 **DIN:** 00008221 **Occupation:** Service **Current term:** 5 years from May 7, 2021 **Period of directorship:** Since May 5, 2021 **Nationality:** Indian **Age:** 57 years	He is a practising Solicitor and a qualified Chartered Accountant. He specialises in the field of Mergers &Acquisition, cross border M&A, joint ventures, and capital markets, and advises large, medium and small business enterprise. He serves as a director on board of various public and private companies. ***Current Directorship*** 1. Deepak Nitrite Limited 2. Repro India Limited 3. Sudarshan Chemical Industries Limited 4. Tribhovandas Bhimji Zaveri Limited 5. Ashok Leyland Limited 6. Indusind Bank Limited 7. Sonata Software Limited 8. Deepak Phenolics Limited 9. Lonza India Private Limited 10. Arch Protection Chemicals Private Limited 11. Kineco Kaman Composites- India Private Limited 12. Organogami Consultants Private Limited 13. Orbit Electrical Private Limited 14. Siporex india Private Limited ***Past Directorship*** He had been on the board of several listed and unlisted companies including Shree Renuka Sugars Limited, Gb Global Limited, Infomedia Press Limited, J B Chemicals And Pharmaceuticals Limited, Sanghvi Movers Limited, Integra Engineering India Limited, Innoventive Industries Limited, Finolex Cables Limited, Sharp India Limited, Finolex Industries Limited, Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited etc.
10	**Kanubhai Shakarabhai Patel** **Designation:** Additional (Independent) Director **Address:** 20, Shrikunj Society, Behind, Dayawadi Fabrication Shop, Akota, Vadodara-390 020, Gujarat, India. **Date of Birth:** May 3, 1957 **DIN:** 00008395 **Occupation:** Service **Current term:** 5 years from May 7, 2021 **Period of directorship:** Since May 5, 2021 **Nationality:** Indian **Age:** 64 years	He has vast experience in the field of Finance, Marketing and commercial matters and also the general management of the Company, including strategic planning. ***Current Directorship*** 1. Voltamp Transformers Limited 2. Paramount Limited ***Past Directorship*** Nil
11	**Raju Swamy** **Designation:** 206, Brigade Rathna, 42, Ranga Rao Road, Near. Ramkrishna Ashram Circle, Shankarapuram, Basavanagudi, Banglore South, Bangalore - 560 004, Karnataka, India. **Date of Birth:** November 1, 1942 **DIN:** 03032679 **Occupation:** Business **Current term:** 5 years from May 7, 2021 **Period of directorship:** Since May 5, 2021 **Nationality:** Indian **Age:** 78 years	He had nearly 18 years of professional management experience in the ANAND Group, a reputed family-promoted business group in the Automotive Components Manufacturing Sector. No Other Directorship ***Past Directorship*** Stanpacks (India) Limited

I. BUSINESS OVERVIEW AND STRATEGY:

We are an ISO 9001 and ISO 14001 certified Company engaged in the business of manufacturing of Chlor Alkali and its Derivatives. We are well recognised as one of the leading manufacturers of Chlor-Alkali and its Derivatives. Our fully automated production facility with cutting-edge automation machineries & technologies, is well equipped to meet the international standards in manufacturing of Caustic Soda, Chlorine, Hydrogen, Caustic Potash, Chloromethanes and Hydrogen Peroxide. Our products find applications across Alumina, Textile, Crop Protection, Refineries, Pharmaceutical, Paper & Pulp, Dyes & Pigments, Soap & Detergent, Refrigerant Gases and many other vital industries.

We started our commercial operations in 2009 by setting up a facility for Caustic Chlorine at GIDC Dahej, Gujarat. We started operations as greenfield project by setting up of 1,19,000 MTPA of Caustic Chlorine plant and has undertaken expansions from time to time to expand our product base and increase the capacities of our existing products. We also commissioned Caustic Potash (KOH) Plant in the year 2017 with an installed capacity of 21,000 MTPA. Further, to sustain future growth, we have also undertaken value added downstream projects and have commissioned new plants of Chloromethane with an installed capacity of 50,000 MTPA in July 2019 and Hydrogen Peroxide with an installed capacity of 60,000 MTPA in July 2020. Currently, our facility has an installed capacity of 2,94,000 MTPA of Caustic plant, 21,000 MTPA of KOH plant, 50,000 MTPA of Chloromethane plant and 60,000 MTPA of Hydrogen Peroxide plant. We have also installed a 96 MW Captive Power plant to meet our power requirements. We are also engaged in trading in chemical products.

Our operations are subject to environmental laws and regulations, which govern, among other things, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites and damage to natural resources, and as well as employee health and safety. Over the years, we have strengthened our focus on sustainability and has been awarded the highly recognized "Responsible Care" logo by Indian Chemical Council which indicates our commitment to the highest standards of Health, Safety and Environment.

Our Company is geared to meet the essential chemicals demand, domestically and globally, with responsible care and scalable facilities along with a commitment towards quality and the environment. Presently, we cater to a broad range of domestic customers, by ensuring timely supply of cost-efficient quality products.

Our Company is part of the Meghmani Group of Companies and is promoted by experience, motivated and skilled promoters backed by an experienced senior management team. We believe that the vision and direction provided by our promoters together with our senior management's collective experience and capabilities enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences.

Our summarized financial performance for the Fiscals 2021, 2020 and 2019 are below:

(Rs. in Lakhs)

Particulars	Fiscal 2021*	Fiscal 2020#	Fiscal 2019#
Revenue from Operations	82,860.03	61,050.63	71,039.30
EBITDA	26,132.71	19,412.68	31,168.01
Net Profit after Tax (before OCI)	10,083.90	11,199.77	18,280.69

**based on consolidated basis*
 # based on standalone basis

KEY STRATEGIES

Our key strategies are as under:

(1) Continue to focus on backward integration by setting up new plants for derivative products

In order to increase our product base, we intent to add value added derivative products like Epichlorohydrin (ECH) and Chlorinated Polyvinyl Chloride (CPVC) to our portfolio, which are key raw material for multiple end user industries and at present are fully imported in India. ECH is an essential feedstock for production of epoxy resins, which is increasingly used in various applications including corrosion protection coatings in Industrial, Automotive and Packaging, as Composites in Aerospace, Wind Mill and Automotive industries as well as sizing agents and other specialty uses in Adhesive, Elastomers, Paper and Textile industries. Further, the CPVC is used in and fitting industries to manufacture high quality heat and chemical resistant pipe.

Using Chloro-Alkali products as basic building block, our Company has planned brownfield expansion at our GIDC Dahej facility to manufacture these downstream products. We are setting up an ECH Plant and CPVC Plant with an installed capacity of 50000 MTPA and 30000 MTPA, respectively. The total capex for setting up both the plant is of around ₹45,000 Lakhs and the same are expected to be commissioned by FY 2023.

Post completion of the projects, we believe our Company will be India's largest manufactures of ECH and CPVC Resins. Further, our ECH plant will be the first largest plant in India based on 100% renewable source which will help in reducing our carbon footprint. We believe these backward integrations is a move to step forward in our strategy of integration and value addition and will ensure sustainable operations and reduce our Country's import dependency.

(2) Expanding our production capacities

According to Company's current estimates, the chlor-alkali and its derivatives products industry is estimated to grow at a CAGR of 5-7 % in volume terms in near future. Given the continuing strong demand of our products and in view of the growth in end application industries where our products are used, we intend to continue to add production capacity selectively to our business lines. Going forward, we proposed phase III expansion of our operations by increasing the installed production capacity of Caustic Soda from current 2.94,000 MTPA to 4,00,000 MTPA. This expansion has been well planned and will be rolled out gradually according to our strategic business plan over the next 2-3 years.

(3) Focus on improving our value added products basket and on sustainable chemistry

We intend to continue improve our products and processes to further enhance the performance of our products, focus on identifying forward integrated value added products to sustain the future growth and to respond to rising compliance requirements under the environmental regulations. We also believe that new development in sustainable chemistry will help reduce carbon footprint due to low carbon emission than alternative petroleum process. We plan to leverage our strong process chemistry and engineering skills to add newer products and cater to customers across new industry verticals and in new geographies to grow our business.

(4) Improving our cost competitiveness through strengthening our fully integrated manufacturing complex

We intend to improve the cost competitiveness by strengthening our fully integrated manufacturing complex through process optimization and improvement in process efficiency. We believe that it will help us to improve our market share and lead to further growth in our revenues. Our focus will be on capitalising comprehensively on the chlor-alkali platform and creating chlor-alkali ecosystem and building family of related products.

J. REASON FOR THE COMPOSITE SCHEME OF ARRANGEMENT

a. The proposed restructuring would create enhanced value for shareholders through potential unlocking of value through listing of both businesses on NSE and BSE (i.e. "Agrochemical & Pigment" and "Chloro-Alkali and its derivatives");
b. The restructuring would allow focused strategy and specialization of sustained growth, which would be in the best interest of stakeholders and the person connected with aforesaid companies;
c. Since the both the business are having separate growth trajectories, the proposed re-structuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
d. The proposed re-structuring would enable MOL 1 to delist its SDS's listed on SGX-ST;
e. The proposed re-structuring would provide opportunity to shareholders MOL 1 to directly participate in Chloro-Alkali and its Derivative Business;
f. The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suits their investment strategies and risk profiles;
g. The proposed re-structuring would enable management to have a Greater/ Enhanced focus of the management on the Chloro-Alkali and its Derivatives Business for exploiting opportunities.

K. AUDITED FINANCIALS FOR PREVIOUS THREE FISCALS

AUDITED CONSOLIDATED FINANCIALS FOR FINANCIAL YEAR ENDED AS ON MARCH 31, 2021

Quote

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Finechem Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meghmani Finechem Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2 of the consolidated financial statements)*	
The group majorly generates revenue from sale of Choro Alkali and its Derivatives products. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	*Our audit procedures included the following:* • Read and evaluated the Group's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue. • Performed sample test of sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers. • Performed sample tests of transactions near year end date as well as credit notes issued after the year end date. • Assessed the relevant disclosures in the Consolidated financial statements for compliance with disclosure requirements.
Business combination – Merger of trading division of Meghmani Organics Limited (MOL) along with its investment in equity shares of the Holding Company *(as described in Note 40 of the consolidated financial statements)*	
As per the Scheme of Arrangement, trading division of Meghmani Organics Limited (MOL) along with its investment in equity shares of the Company has merged into the Holding Company ('the Scheme'). The Scheme was approved by the National Company Law Tribunal ('NCLT') vide its order dated May 3, 2021. The Holding Company has given effect of scheme in the consolidated financial statements considering business combination under common control as per the requirements of Ind AS 103. The scheme has a significant impact on the consolidaed financial statements of the Holding company including shareholding structure and comparative figures basis which the same is considered as a key audit matter for the year.	Our audit procedure included the following: • Obtained and read the Scheme, and compared the assets and liabilities pertaining to trading division and equity investments in the Company considered for accounting as per the scheme. • Assessed the accounting as per the applicable standards including, cancellation of shareholding of MOL and issuing of equity shares to shareholders of MOL as per the share swap ratio approved in the Scheme. • Obtained and read the approval of National Company Law Tribunal (NCLT) for giving effect to the scheme. • Assessed accounting in accordance with scheme. • Tested underlying workings used in accounting calculations, including for previous year (March 31, 2020) restated financial information of the Holding company. • Read and assessed the disclosures in the consolidated financial statements for compliance with disclosure requirements.

Information other than the Consolidated financials statements and Auditor's report thereon:

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a) We have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, refer to our separate Report in "Annexure" to this report;
g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 36 to the consolidated financial statements;
   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021; and
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended March 31, 2021.

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

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 21101974AAAACC9040
Place of Signature: Ahmedabad
Date: May 20, 2021

Annexure to the Independent Auditor's report of even date on the consolidated Financial Statements of Meghmani Finechem Limited

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

In conjunction with our audit of the consolidated financial statements of Meghmani Finechem Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting Meghmani Finechem Limited (hereinafter referred to as the "Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

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

Continue...

Opinion

In our opinion, the Holding Company has, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN : 21101974AAAACC9040
Place of Signature: Ahmedabad
Date: May 20, 2021

Meghmani Finechem Limited

Consolidated Balance Sheet as at March 31, 2021

Particulars	Notes	(Rs. in Lakhs) As on 31st March, 2021
I. Assets		
Non-Current Assets		
(a) Property, Plant and Equipment	3.1	1,07,065.17
(b) Capital Work in Progress	3.2	12,583.73
(c) Other Intangible Assets	3.3	3,165.90
(d) Financial Assets		
(i) Other Financial Assets	4	1,035.80
(e) Income Tax Assets (Net)	5	245.07
(f) Other Non-Current Assets	6	2,645.36
Total Non-Current Assets		**1,26,741.03**
Current Assets		
(a) Inventories	7	5,395.97
(b) Financial Assets		
(i) Trade Receivables	8	11,883.73
(ii) Cash and Cash Equivalents	9	68.00
(iii) Loans	10	11.42
(iv) Other Financial Assets	11	183.80
(c) Other Current Assets	12	586.26
Total Current Assets		**18,129.18**
TOTAL ASSETS		**1,44,870.21**
II Equity and Liabilities		
Equity		
(a) Equity Share Capital	13	4,155.27
(b) Instruments entirely Equity in nature	13	21,091.99
(c) Other Equity	14	43,166.13
Equity attributable to Shareholders of the Company		**68,413.39**
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	15	34,046.74
(ii) Other Financial Liabilities	16	306.00
(b) Provisions	17	162.85
(c) Deferred Tax Liabilities (Net)	32	3,080.53
Total Non-Current Liabilities		**37,596.12**
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	18	7,503.49
(ii) Trade Payables	19	7,304.93
(iii) Other Financial Liabilities	20	23,306.85
(b) Other Current Liabilities	21	725.77
(c) Provisions	22	10.04
(d) Current Tax Liabilities (Net)	23	9.62
Total Current Liabilities		**38,860.70**
Total Liabilities		**76,456.82**
TOTAL EQUITY AND LIABILITIES		**1,44,870.21**
Summary of Significant Accounting Policies	2	

The accompanying notes are an integral part of these Consolidated Financial Statements.
As per our report of even date

FOR S R B C & CO LLP — **For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)**

Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner Membership No : 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director DIN-2006947
Place : Ahmedabad **Date : 20th May 2021**	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director DIN-01998162

Meghmani Finechem Limited

Statement of Consolidated Profit and Loss Account for the Year ended March 31, 2021

Particulars	Notes	(Rs. in Lakhs) For the year ended 31st March 2021
Revenue		
Revenue From Operations	24	82,860.03
Other Income	25	218.90
Total Income (A)		**83,078.93**
Expenses		
Cost of Materials Consumed	26	38,609.98
Purchase of Traded Goods		42.11
Changes in Inventories of Finished Goods and Stock in Trade	27	(120.48)
Employee Benefits Expense	28	5,360.94
Finance Costs	29	2,911.37
Depreciation and Amortization Expense	3	7,354.48
Other Expenses	30	12,834.77
Total Expense (B)		**66,993.17**
Profit Before Tax (C) = (A-B)		**16,085.76**
Tax Expense:		
Current Tax	32	2,816.76
Net Deferred Tax Expense		3,185.10
Total Tax Expense (D)		**6,001.86**
Profit for the Year (E) = (C-D)		**10,083.90**
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss in subsequent periods		
Remeasurement (Loss) on Defined Benefit Plans		(27.00)
Income Tax effect on above		9.43
Total Other Comprehensive Income/(Loss) for the Year, net of Tax (F)		**(17.57)**
Total Comprehensive Income for the Year (G) = (E+F)		**10,066.33**
Profit for the Year Attributable to :		
Owners of the Company		10,083.90
Other Comprehensive Income For the Year Attributable to:		
Owners of the Company		(17.57)
Total Comprehensive Income For the Year Attributable to:		
Owners of the Company		10,066.33
Earnings per Equity Share (face value of Rs 10 each) (in Rs.)		
Basic	31	24.27
Diluted		17.26
Summary of Significant Accounting Policies	2	

The accompanying notes are an integral part of these Consolidated Financial Statements.
as per our report of even date

FOR S R B C & CO LLP — **For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)**

Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner Membership No : 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director DIN-2006947
Place : Ahmedabad **Date : 20th May 2021**	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director DIN-01998162

Meghmani Finechem Limited

Consolidated Cash Flow Statement for the year ended 31st March 2021

Particulars	(Rs. in Lakhs) For the year ended 31st March 2021
A. Cash Flow from Operating Activities	
Profit Before Taxation	16,085.75
Adjustment for :	
Depreciation and Amortisation Expenses	7,354.48
Interest Income	(14.81)
Interest and Finance Charges	3,075.57
Mark to Market (Gain) on Derivative (Net)	(528.50)
Unrealised Foreign Exchange Loss on borrowings, net	329.40
Lease Liability Interest	34.90
Unrealised Foreign Exchange Loss	(14.44)
(Profit) on Sale of Property, Plant & Equipment	(0.28)
Sundry Balances Written off	44.92
Sundry Balances Written back	(18.77)
Operating Profit before Working Capital changes	**26,348.22**
Adjustment for:	
(Increase) in Inventories	(555.65)
(Increase) in Trade Receivables	(4,240.07)
(Increase) in Other Non Current Financial Assets	(411.76)
Decrease in Other Current Financial Assets	55.47
(Increase) in Other Current Assets	(6.45)
Decrease in Short Term Loans and Advances	6.08
Increase in Trade Payables	2,596.76
(Decrease) in Long Term Provision	(19.45)
Increase in Other Current Financial Liabilities	1,627.50
Increase in Other Current Liabilities	381.38
Increase in Short Term Provisions	1.50
Working Capital Changes	**(564.69)**
Cash Generated from Operation	**25,783.53**
Direct Taxes Paid (Net of Refund)	(2,861.97)
Net Cash Generated from Operating Activities	**22,921.56**
B. Cash Flow from Investment Activities	
Purchase of Property, Plant & Equipments	(19,679.88)
Proceed from Sale of Property, Plant & Equipments	4.55
(Investment in) Fixed Deposits	(6.04)
Interest Received	8.09
Net Cash (Used in) Investing Activities	**(19,673.28)**
C. Cash Flow from Financing Activities	
Interest and Finance Charges Paid	(3,972.33)
Proceeds from Long-Term Borrowing	4,070.00
Repayment of Long-Term Borrowing	(8,720.35)
Proceeds From of Short-Term Borrowing (Net)	5,531.50
Payment of Lease Liability	(98.80)
Net Cash (Used in)/Generated from Financing Activities	**(3,189.98)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**58.30**
Cash and Cash Equivalent at the beginning of the Year	**9.69**
Cash and Cash Equivalent at the end of the Year	**68.00**
Cash and Cash Equivalent comprises as under	
Cash on Hand	1.33
Balance with Schedule Banks in Current Accounts	25.66
Deposits with Schedule Banks	0.10
Cheque on Hand	40.91
Cash & Cash Equivalent at the end of the Year (refer note 9)	**68.00**

Notes to the Cash Flow statement for the year ended on 31st March 2021.

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

2) Changes in liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	April 1, 2020	Cash flows	Other	March 31, 2021
Current borrowings (Note 18)	1,971.99	5,531.50	-	7,503.49
Non-Current Lease Liabilities (Note 37)	375.55	(98.80)	29.25	306.00
Non- Current Borrowings (Note 15)	41,828.53	(4,650.35)	(3,131.44)	34,046.74
Accrued interest (Note 20)	405.50	(405.50)	332.10	332.10
Total liabilities from financing activities	**44,581.57**	**376.85**	**(2,770.09)**	**42,188.32**

Others includes the effects of reclassification of Non Current portion of Borrowings including Lease Liabilities to Current due to passage of time and effect of unrealised foreign currency amount on External Commercial Borrowings.

The accompanying Notes are an integral part of these Consolidated Financial Statements
as per our report of even date

FOR S R B C & CO LLP — **For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)**

Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner Membership No : 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director DIN-2006947
Place : Ahmedabad **Date : 20th May 2021**	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director DIN-01998162

Meghmani Finechem Limited

Statement of Changes in Equity for the year ended 31st March 2021

(A) Equity Share Capital — **Rs. in Lakhs**

Particulars	No. of Shares	Amount
Equity Share of Rs.10 each Issued, Subscribed and fully Paid up		
Balance as at 1st April 2020	**4,15,52,665**	**4,155.27**
Changes during the Year	-	-
Balance as at 31st March 2021	**4,15,52,665**	**4,155.27**

(B) Instrument entirely Equity in nature — **Rs. in Lakhs**

Particulars	No. of Shares	Amount
8% Optionally Convertible Redeemable Preference Shares of Rs.10/- Issued , Subscribed and Fully Paid up		
Balance as at 1st April 2020	21,09,19,871	21,091.99
Balance as at 31st March 2021	**21,09,19,871**	**21,091.99**

(C) Other Equity — **Rs. in Lakhs**

Particulars	Reserves & Surplus		
	Capital Reserve	Retained Earnings	Total Other Equity
Balance as at 1st April 2020	**(24,668.28)**	**57,768.09**	**33,099.80**
Profit for the Year	-	10,083.90	10,083.90
Other Comprehensive Income for the Year (net of Taxes)	-	(17.57)	(17.57)
Total Comprehensive Income for the Year	**-**	**10,066.33**	**10,066.33**
Balance as at 31st March 2021	**(24,668.28)**	**67,834.41**	**43,166.13**

as per our report of even date

FOR S R B C & CO LLP — **For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)**

Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner Membership No : 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director DIN-2006947
Place : Ahmedabad **Date : 20th May 2021**	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director DIN-01998162

Meghmani Finechem Limited

Notes to the Consolidated Financial Statement for the year ended March 31, 2021

1. Corporate information

The Consolidated Financial Statements comprises Financial Statements of Meghmani Finechem Limited (the Company) and its Subsidiary Meghmani Advanced Sciences Limited (Collectively, the Group) for year ended on March 31, 2021. Meghmani Finechem Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. The registered office at Plot No.CH1, CH2, GIDC Industrial Estate, Dahej, Tal. Vagara, Dist. Bharuch 392 130 Gujarat, India. The Group is primarily engaged in manufacturing and selling of Chlor Alkali & its Derivatives. The Group is also engaged in trading of agrochemical products.

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 20th May 2021.

2. Significant Accounting Policies

2.1. Basis for Preparation of Accounts

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

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

- Certain Financial Assets and Liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Derivative Financial Instruments

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

2.2. Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its Subsidiary as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group losses control of the Subsidiary. Assets, Liabilities, Income and Expenses of a Subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary. The proportion of ownership interest in each Subsidiary of the parent is as follows:

Name of the Subsidiary	Country of Domicile	Proportion of Ownership Interest
Meghmani Advanced Sciences Limited	India	100%

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The Financial Statements of the Group are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31st March 2021.

Consolidation procedure:

(a) Combine line items of Assets, Liabilities, Equity, Income, Expenses and Cash Flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of Equity of each Subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between entities of the Group (profits or losses resulting from Intragroup transactions that are recognised in Assets, such as Inventory and Fixed Assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group looses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related non-controlling interests and other components of Equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

2.3. Significant accounting estimates, assumptions and judgements

The preparation of the Group's Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of Revenues, Expenses, Assets and Liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of Assets or Liabilities affected in future periods.

Estimates and assumptions

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

Taxes:

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

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of Defined Benefit Plans is recognised in the Balance Sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent Actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 33 for details of the key assumptions used in determining the accounting for these plans.

Useful Economic Lives of Property, Plant and Equipment

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

Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.

Impairment of Non- Financial Assets

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

2.4. Summary of Significant accounting policies

a. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

b. CURRENT VS. NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Consolidated Statement of Assets and Liabilities based on Current/ Non-Current classification.

An asset is treated as current when it is:

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

A liability is treated as current when it is:

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

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

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

c. REVENUE RECOGNITION

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

1) Sale of Goods

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

(i) Variable Consideration

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

Volume Rebates

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

(ii) Contract Assets

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

(iii) Trade Receivables

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

Continue...

(iv) Contract Liabilities

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

2) Interest Income

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

3) Export Incentives

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

4) Dividend

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

5) Insurance Claims

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

d. FOREIGN CURRENCIES

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

Transactions and Balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit or Loss.

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

e. FAIR VALUE MEASUREMEMT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 40.

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

f. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for Plant and Machinery pertaining to Power Generating Units, Chloromethane and Hydrogen Peroxide Plant capitalized on July 31, 2020.The estimated useful life of these assets are based on independent technical evaluation, The useful life of which has been estimated as 20 years for Plant and Machinery of Power Generating Unit and 12 years for Plant and Machinery of Chloromethane Plant (on single shift basis) 20 years for Plant and Machinery of Hydrogen Peroxide Plant which is different from that prescribed in schedule II of the Act. Depreciation is not provided on Freehold Land. Leasehold Land is amortized over the lease period on Straight line basis. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Asset	Estimated Useful Life
Leasehold Land	99 Years
Building	30 Years
Carpeted Roads – RCC	10 Years
Plant & Machinery	12-20 Years
Electrical Installation	10 Years
Captive Power Plant and Equipments	20-40 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

g. INTANGIBLE ASSETS

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

The useful lives of Intangible Assets are assessed as either finite or indefinite.

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

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

Intangible Assets

Assets	Amortization Method	Amortization Period
Usage Rights	On Straight-line basis	10 years
Technical Know How	On Straight-line basis	10 years

h. IMPAIRMENT OF NON- FINANCIAL ASSETS

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

i. FINANCIAL INSTRUMENT

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

(A) Financial Asset

Initial Recognition and Measurement

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

Debt Instruments at amortised cost

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

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

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

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

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

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

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

b) The asset's contractual cash flows represent SPPI.

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

Debt Instrument at Fair Value through Profit & Loss (FVTPL)

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

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

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

Equity investments

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

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

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

De-recognition

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

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

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

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

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

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

- Trade receivables

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement of Financial Liabilities

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

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

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

Loan and borrowings

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

Trade and Other Payables

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

Derivatives and Hedging Activities

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

De-recognition

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

Off-setting Financial Instrument

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

j. INVENTORIES

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

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

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

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

k. BORROWING COSTS

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

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS

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

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

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

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

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

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

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

m. ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax

Current Income Taxes

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

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

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

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

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

Minimum Alternate Tax (MAT)

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

n. PROVISIONS

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

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

o. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a Contingent Liability but discloses its existence in the Consolidated Financial Statements.

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

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

p. LEASES

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

Where the Group is the lessee

The Group recognises a Right-Of-Use Asset and a Lease Liability at the lease commencement date. The Right-Of-Use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The Right-Of-Use Assets and Lease Liabilities include these options when it is reasonably certain that the option will be exercised.

The Right-Of-Use Assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-Of-Use Assets or the end of the lease term. In addition, the Right-Of-Use Assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the Lease Liability.

The Lease Liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Lease Liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the Lease Liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the Right-Of-Use Asset or is recorded in profit or loss if the carrying amount of the Right-Of-Use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise Right-Of-Use Assets and Lease Liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities.

q. EARNING PER SHARE

Basic Earnings Per Share

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

Diluted Earnings per Share

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

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r. CASH AND CASH EQUIVALENTS

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

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

s. SEGMENT REPORTING

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

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

Segment policies:

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

t. Dividend to Equity and Optionally Convertible Preference Shareholders of the Group

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

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

u. New Standards, Interpretations and Amendments adopted by the Company

The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual Consolidated Financial Statements for the year ended March 31, 2020, except for the adoption of new standards effective or amendments to the existing Indian Accounting Standards (Ind AS) as of April 01, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group applies, for the first time, following new interpretations and amendments w.e.f., April 01, 2020 and do not have material impact on the Consolidated Financial Statements of the Group.

a) Amendments to Ind AS 1, Ind AS 8 and Ind AS 10: Definition of Material;
b) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform;
c) Amendments to Ind AS 103 Business Combinations: Clarification on Definition of Business;
d) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

Notes to the Consolidated Financial Statement for The Year Ended 31st March 2021

10. LOANS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Unsecured, Considered Good	
Loans to Employees (refer note below)	11.42
Total	**11.42**

Notes:

- Loans to Employees are interest free and generally given for tenure of 6 to 12 months
- Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 via: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impaired is not applicable.

11. OTHER FINANCIAL ASSETS (CURRENT)

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Unsecured, Considered Good	
Export Benefits Receivables	0.21
Balances with Government Authorities (refer note below)	33.12
Security Deposits	26.00
Interest Accrued on Deposits with original maturity of less than three months	0.90
Mark to Market Derivative Assets	123.57
Total	**183.80**

Note: Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

12. OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Unsecured, Considered Good	
Prepaid Expenses	127.00
Export Benefits Receivables	64.47
Balances with Government Authorities (refer note below)	120.09
Advance to Employees	0.97
Advances to Suppliers	273.73
Total	**586.26**

Note: Balance with Government Authorities include VAT / Cenvat / Goods and Service Tax credit Receivable.

3. Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31, 2021

Sr. No.	Descriptions	Gross Block				Depreciation / Amortisation				Net Block
		1st April, 2020	Additions	Deduction / Adjustments	31st March, 2021	1st April 2020	For the Year	Deduction/ Adjustment	31st March, 2021	As at 31st March 2021
3.1	**Tangible Assets**									
	Right to use Asset - Lease Hold Land	1,136.93	-		1,136.93	13.07	13.06	-	26.13	1,110.80
	Building	12,064.44	3,420.86		15,485.30	2,314.28	584.56	-	2,898.84	12,586.46
	Building ROU Assets	500.61			500.61	82.29	82.29	-	164.58	336.02
	Plant & Machineries	42,274.04	50,209.67		92,483.71	19,133.81	5,334.43	-	24,468.24	68,015.48
	Captive Power Plant & Equipments	12,254.28	16,262.31		28,516.59	3,045.27	1,025.60	-	4,070.87	24,445.72
	Furnitures & Fixtures	281.41	173.51		454.92	105.34	28.27	-	133.61	321.31
	Office Equipment	75.72	34.31		110.03	20.28	16.13	-	36.41	73.62
	Vehicles	178.29	56.85	34.32	200.82	55.73	23.83	30.08	49.48	151.35
	Computers	43.83	12.47	-	56.30	22.17	9.72	-	31.89	24.41
	TOTAL (A)	**68,809.55**	**70,169.98**	**34.32**	**1,38,945.21**	**24,792.24**	**7,117.89**	**30.08**	**31,880.05**	**1,07,065.17**
3.3	**Intangible Assets**									
	Usage Rights	21.23	2,600.00	-	2,621.23	21.23	185.42	-	206.65	2,414.58
	Technical Know-How	-	802.50	-	802.50	-	51.17	-	51.17	751.32
	TOTAL (B)	**21.23**	**3,402.50**	**-**	**3,423.73**	**21.23**	**236.59**	**-**	**257.82**	**3,165.90**
	TOTAL (A+B)	**68,830.78**	**73,572.48**	**34.32**	**1,42,368.94**	**24,813.47**	**7,354.48**	**30.08**	**32,137.87**	**1,10,231.07**

Notes:

During the Current Year exchange gain of ₹ Nil arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹ 404.35 Lakhs, in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 Capital Work in Progress

(Rs. in Lakhs)

Particulars	Amount
Cost	
As at 1st April 2020	**69,115.68**
Addition during the year	6,976.09
Capitalisation	(63,508.04)
As at 31st March 2021	**12,583.73**

i. Capital Work in Progress as at 31st March 2021 comprises expenditure for Epichlorhydrin , Chloro Polyvinly Chloride and Caustic Soda (including Captive Power Plant) which are in the course of construction.

ii. The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31 March 2021 was ₹ 823.38 Lakhs. The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

iii. For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Holding Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

4. OTHER FINANCIAL ASSETS (NON CURRENT)

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Security Deposits	611.87
Bank deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	176.80
Mark to Market Derivative Assets	247.13
Total	**1,035.80**

Note: Margin Money Deposits amounting ₹ 176.80 Lakh are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 6.52% to 7.25%

5. INCOME TAX ASSETS (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Advance payment of Income Tax (Net of Provision)	245.07
Total	**245.07**

6. OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Unsecured, Considered Good	
Capital Advances	2,584.16
Balance with Government Authorities (Amount paid under Protest)	61.20
Total	**2,645.36**

7. INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Raw Materials (Including in transit of ₹ 126.03 Lakhs)	1,982.40
Finished Goods	907.80
Finished Goods In transit	6.51
Stock-in-Trade	8.89
Consumable Stores and Spares	2,413.75
Others (Packing Materials)	76.62
Total	**5,395.97**

8. TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Trade Receivables	
Secured, Considered Good	560.56
Unsecured, Considered Good	11,323.17
Trade Receivables which have significant increase in credit risk	-
Trade Receivables - credit impaired	18.38
Total	**11,902.11**
Impairment allowance (allowance for bad and doubtful debts)	
Unsecured, Considered Good	-
Trade receivables which have significant increase in credit risk	-
Trade receivables - credit impaired	(18.38)
Total	**11,883.73**

Notes:

- Trade Receivable are secured to the extend of deposit received from the Customers.
- Trade Receivables are non-interest bearing and generally have credit period of 30-90 days.
- For amount due and terms and conditions relating to related party, please refer note no 34
- No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person.
- For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no. 39.

9. CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Balance with Banks	
- On Current Accounts	25.66
- Deposits with original maturity of less than three months (refer note below)	0.10
- Cash on Hand	1.33
- Cheques on Hand	40.91
Total	**68.00**

Note: Deposits are made for varying periods of between 60 days to 90 days and earn interest rate around 5.10%

13. SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Authorised Share Capital Equity Shares of ₹10 each	
12,05,00,000 Equity Shares each Share of ₹ 10/-	12,050.00
12,05,00,000 Equity Shares each Share of ₹ 10/-	**12,050.00**
Preference Shares of ₹100 each	
20,00,000 Preference Shares each Share of ₹100 /-	2,000.00
Preference Shares of ₹10 each	
432,628,796 Preference Shares each Share of ₹10 /-	43,262.88
Total Authorised Capital	**57,312.88**

Note: The Authorised Share Capital has increased pursuant to Scheme of Arrangement, The Holding Company has filed Form INC 28 on 10th May 2021 for change in Authorised Share Capital with Ministry of Corporate Affairs and the same is under approval.(refer note 40).

(Rs. in Lakhs)

Particulars	As at March 31, 2021
ISSUED, SUBSCRIBED & PAID UP	
Equity Share Capital	
4,15,52,665 Equity Shares each of ₹ 10 /- Fully Paid Up	4,155.27
Total	**4,155.27**
Instrument entirely Equity in Nature (Preference Share Capital)	
21,09,19,871 8% Optionally Convertible Redeemable Preference Share (OCRPS) each of ₹10 /- Fully Paid Up	21,091.99
Total	**21,091.99**

Reconciliation Shares outstanding at the beginning and at the end of the reporting period

(Rs. in Lakhs)

Particulars	No. of Shares	Amount
Equity Share Capital		
As at 1st April 2020	**4,15,52,665**	**4,155.27**
Increase during the year	-	-
As at 31st March 2021	**4,15,52,665**	**4,155.27**
Instrument entirely Equity in Nature (Optionally Convertible Redeemable Preference Share Capital)		
As at 1st April 2020	21,09,19,871	21,091.99
Increase during the year	-	-
As at 31st March 2021	**21,09,19,871**	**21,091.99**

Equity Share:

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

Optionally Convertible Redeemable Preference Share ('OCRPS'):

Each Optionally Convertible Redeemable Preference Share has par value of ₹10 per share and is convertible at the option of the Holding Company. Incase, redemption does not happen within 20 years, it will be compulsorily converted into 10 Equity Shares for every 125 OCRPS. The Preference Shares carry a dividend of 8% per annum, payable subject to approval of Board of Directors of the Holding Company. The dividend rights are non-cumulative. Considering all the rights of conversion / redemption and dividend declaration are in the hands of Holding Company, same is classified as Equity in nature and disclosed as 'Instrument entirely Equity in nature'. The Preference Shares rank ahead of the Equity Shares in the event of a liquidation.

Conversion of Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS):

As per the Order, OCRPS issued by the Company is transferred to Meghmani Organochem Limited as per the Scheme. Further, the OCRPS will be converted into equal number of RPS with same terms and conditions and tenure from the effective date i.e. May 10, 2021 i.e. the date of filing of certified copy of the Order (filing of INC 28). Accordingly, OCRPS is classified as equity instrument under total equity for the year ended March 31, 2021 and the same will be classified and accounted for as debt instrument from the effective date.

Share held by the Holding Company:

The shares held by erstwhile holding company Meghmani Organics Limited (MOL) consisting of 2,35,45,985 equity shares have been cancelled pursuant to the Scheme of Arrangement. Further as per the Scheme, the Holding Company is in the process of issuing equity shares to share holders of MOL and accordingly, disclosures pertaining to shares held by MOL in the Holding Company is not made. Refer note 40 for further details

Details of Shareholding (more than 5% Equity Shares)#

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Number of Shares held by	
(a) Natwarlal Patel	22,27,305
% of Share held	5.41%
(b) Ashish Soparkar	21,98,563
% of Share held	5.34%
Optionally Convertible Redeemable Preference Share (OCRPS)	
(a) Meghmani Organics Limited ('MOL')	21,09,19,871
% of Share held	**100.00%**

Notes:

- #Details of Shareholding (more than 5% Equity Shares): Does not include shares held by MOL which have been cancelled pursuant to the Scheme of Arrangement. Refer note 40 for further details.
- As per records of the Holding Company, including its register of shareholder / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares. Further the same is subject to shares to be issued pursuant to Scheme of Arrangement. (refer note 40).
- No dividend has been proposed / declared on Equity and OCRPS during the year.

14. Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Capital Reserve	
Balance as at the beginning of the Year	(24,668.28)
Balance as at the end of the Year	(24,668.28)
Retained Earnings	
Balance as at the beginning of the Year	57,768.08
Profit for the Year	10,083.90
Other Comprehensive Income for the Year	(17.57)
Less: Dividend Paid	-
Less: Tax on Dividend Paid	-
Balance as at the end of the Year	**67,834.41**
Total	**43,166.13**

Nature and purpose of Reserves:

Capital Reserve:

The balance in Capital Reserve represents difference between consideration paid and net asset acquired under common control business combination transactions.

15. BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Term Loan Facilities from Banks (refer note below):	
Indian Rupee loan (Secured) (refer note below)	25,814.74
From Financial Institutions	
Foreign currency loan (Secured) (refer note below)	8,232.00
Total Non-Current Borrowing	**34,046.74**
[refer note 20 for Current Maturities of Term Loan from Banks and Financial Institutions ₹ 12,280.91 Lakh]	
The above amounts includes:	
Secured borrowing	**34,046.74**
Unsecured borrowing	**-**

Refer Note No - 39 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms:

(i) The Holding Company has taken External Commercial Borrowing of Euro 180.00 lakhs equivalent to ₹ 14,400.00 lakhs from Standard Chartered Bank to finance its capital expenditure plans. Outstanding balance for this borrowing is Euro 144.00 lakhs equivalent to ₹ 12,348.00 lakhs. The borrowing is secured by first pari passu mortgage charge on all immovable properties, first pari passu hypothecation charge over all the moveable assets. The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests. The Holding Company has entered into Interest Rate Swap ('IRS') agreement with the bank for a fixed interest @ 1.85% p.a. and hedging of the foreign exchange rate whereby the Holding Company will pay additional interest @ 4.95% p.a. The effective interest rate after considering basic interest rate and interest for hedging is 6.80%. The borrowing is repayable in 15 quarterly instalments of Euro 12 Lakhs each, starting from July 3, 2020.

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

(1) Term loan amounting ₹ 11,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloromethane Plant. Outstanding balance for this facility is ₹ 6,050 lakhs. This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus spread (to be set every year) payable on monthly rest. The interest rate for the current year remained @ 7.65%. The Term Loan is repayable in 20 quarterly instalments of ₹ 550.00 Lakhs each and repayment started from 9th March 2019.

(2) Term loan amounting ₹ 15,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Caustic Soda Lye Plant with new 36 MW Power Plant. Outstanding balance for this facility is ₹ 13,333 Lakhs. This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate is 7.25%. The term loan is repayable in 18 quarterly instalments of ₹ 833.33 Lakhs each starting from 1st November, 2020.

(3) Term loan amounting ₹ 12,500 lakhs from Federal Bank Limited for capital expenditure toward setting up of new Hydrogen Peroxide Plant. Outstanding balance for this facility is ₹ 10,526 Lakhs. The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate is 6.64%. The Term Loan is repayable in 19 quarterly instalments of ₹ 657.89 lakhs each starting from 29th September, 2020.

(4) Term loan amounting ₹19,000 lakhs from State Bank of India for capital expenditure toward setting up of new Epichlorhydrin Plant. The Holding Company has drawn down ₹ 4,070 Lakhs as at the Balance Sheet date. The borrowing carries interest at 6 month MCLR (Benchmark rate) plus spread of 0.10% (to be reset every half year) payable on monthly rest. The effective interest rate is 7.05%. The Term Loan is repayable in 20 quarterly instalments of ₹950.00 lakhs each starting from 31st December. 2022.

(5) The Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of the Holding Company, first pari passu hypothecation charge over all the movable assets of the Holding Company.

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

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

16. OTHER NON CURRENT FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Mark to market Derivative Liabilities	
(on Interest Rate Swap and Cross Currency Swap valued at Fair Value Through Profit and Loss)	-
Lease Liabilities (refer note 37)	306.00
Total	**306.00**

17. LONG TERM PROVISIONS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Provision for Employee Benefits	
Gratuity (refer note 33)	103.81
Compensated Absences	59.04
Total	**162.85**

18. BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Secured Loans	
Rupee Loans repayable on Demand	
Cash Credit / Overdraft / WCDL Facility from Banks (refer note below)	7,503.49
Total	**7,503.49**

Notes:

- The Holding Company has availed Working Capital Facility of ₹ 18,000 Lakhs as sanctioned limit from consortium comprising of ICICI Bank Limited ₹ 11,000 Lakhs, Standard Chartered Bank ₹ 3,000 Lakhs and HDFC Bank Ltd. ₹ 4,000 Lakhs.

  The Holding Company is in process of filing requisite forms with Ministry of Corporate Affairs for creating of first pari passu hypothecation charge over all the Current Assets from additional facilities sanctioned during the year. Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day.
- Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day.

  Interest rate for the year ranges between 7.25% - 8.70%.
- Rate of interest stipulated by Standard Chartered Bank is monthly MCLR . Interest rate for the year ranges between 6.60% - 8.85%.
- Rate of interest stipulated by HDFC Bank Limited is as per prevailing 1 year MCLR + applicable margin.

  Interest rate for this ranges between @ 7.20% - 8.00%.
- Bank loans availed by the Holding Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Holding Company has complied with the covenants as per the terms of the loan agreements.

19. TRADE PAYABLE

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Trade Payables	7,304.93
Total	**7,304.93**

Terms and conditions of the above outstanding dues :

- Trade Payables are non-interest bearing and are normally settled on 90-360 days terms.
- For amounts due to related parties and terms and conditions with Related Parties, refer note 34.
- For Company's Credit Risk management processes refer note 39

20. OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Financial Liabilities carried at Amortised Cost	
Current Maturities of Long-Term Debt (refer note 15)	12,280.91
Interest Accrued but not due on Borrowing	332.10
Capital Creditors	4,148.40
Security Deposits Payable	950.00
Lease Liablity (refer note 37)	69.55
Employee Benefits Payable	1,581.59
Book Overdraft	48.33
Expenses Payable	3,895.97
Total	**23,306.85**

21. OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Advances from Customers	85.51
Statutory Dues Payable	640.26
Total	**725.77**

22. SHORT TERM PROVISIONS

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Provision for Employee Benefits	
Compensated Absences	10.04
Total	**10.04**

Continue...

23. CURRENT TAX LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Current Tax Payable (net)	9.62
Total	**9.62**

24. REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Sales of Products	
Sale of products	82,493.37
Sale of By-product	100.36
Sales of Products	**82,593.73**
Other Operating Revenue	
Export Benefits and Other Incentives	9.74
Scrap Sales	256.56
Total Other Operating Revenue	**266.30**
Total	**82,860.03**

24.1 DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Type of Goods or Service	
Chlor Alklai & its Derivatives	82,464.66
Sales of Stock in Trade	129.07
Total Revenue from contracts with Customers	**82,593.73**
Geographical location of Customer	
India	82,017.51
Outside India	576.22
Total Revenue from contracts with Customers	**82,593.73**
Timing of Revenue Recognition	
Goods transferred at a point in time	82,593.73
Total Revenue from Contracts with Customers	**82,593.73**

24.2 CONTRACT BALANCE

The Company has recognised the following revenue-related contract asset and liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Trade Receivables	11,883.73
Advance from Customers	85.51

Notes:

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

24.3. RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Revenue as per contracted price	**86,356.00**
Adjustments	
Sale Returns	(40.87)
Trade Discount & Quantity Rebate	(2,446.38)
Cash Discount	(335.56)
Sales Commission	(939.47)
Revenue from contract with Customers	**82,593.73**

24.4 Performance obligation

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

24.5 Information about major customers

No single Customer represents 10% or more of the Group's total Revenue during the year ended 31st March 2021.

25. OTHER INCOME

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Interest Income on	
- Bank Deposit	13.76
- Other	1.04
Net gain on Foreign Currency Transactions and Transalation (net)	38.36
Profit On Sale of Property, Plant and Equipment	0.28
Miscellaneous Income	58.53
Insurance claims	106.58
Sundry Balance Written back	0.35
Total	**218.90**

26. COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Chlor Alkali & its Derivatives	38,609.98
Total	**38,609.98**

Note: The above amount comprises of raw material consumption generated from the accounting system and related adjustments there to.

27. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Inventories at the beginning of the Year	
(i) Finished Goods	766.53
(ii) Stock in Trade	36.15
Total (A)	**802.68**
Inventories at the end of the Year	
(i) Finished Goods	914.31
(ii) Stock in Trade	8.89
Total (B)	**923.20**
Changes in Inventories (A-B)	**(120.48)**

28. EMPLOYEE BENEFIT EXPENSE

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Salaries and Wages	3,584.58
Director Remuneration	1,235.00
Contribution to Provident and Other Funds (refer note 33)	209.79
Staff Welfare Expenses	331.57
Total	**5,360.94**

29. FINANCE COST

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Interest Expense on :	
- Term Loan	2,665.15
- Cash Credit and Working Capital Demand Loan	310.88
-Lease Liability (refer note 37)	34.90
- Others	79.18
(Gain) on Derivative Instruments	(528.50)
Exchange Loss on restatement of External Commercial Borrowing (ECB)	329.40
Other Borrowing Costs (includes Bank Charges, etc.)	20.36
Total	**2,911.37**

30. OTHER EXPENSES

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Consumption of Stores and Spares	1,426.66
Consumption of Packing Materials	1,291.42
Repairs and Maintenance:	
- Buildings	117.12
- Plant and Machinery	479.70
Rent (refer note 37)	2.99
Rates and Taxes	62.78
Insurance	366.83
Power and Fuel	441.85
Electricity Duty on Power Generation	2,350.93
Renewal Purchase Obligation	845.70
Contract Labour Charges	1,043.55
Selling and Promotion Expenses	449.76
Water Charges	2,167.28
Expenditure towards Corporate Social Responsibility (refer not i below)	966.93
Payments to the Auditors (refer note ii below)	17.87
Miscellaneous Expenses	803.40
Total	**12,834.77**

Notes:

(i) Corporate Social Responsibility Expenditure - spent during the year is ₹ 966.93 Lakh

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Amount required to be spent during the Year	383.37
Amount of opening unspent CSR expenses spent during the year pursuant to representation made by the Holding Company with ROC & NCLT	579.29
Amount Spend during the year in Cash	966.93
i. Construction / Acquisition of an Assets	-
ii. On purpose other than (i) above	966.93
Details related to spent/unspent obligation	
i) Contribution to public trust	-
ii) Contribution to charitable trust	966.93
iii) Unspent amount	-

(ii) Payments to Auditors (Excluding Tax)

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
(a) Statutory Audit Fees	17.35
(b) Reimbursement of Expenses	0.52
Total	**17.87**

31. DISCLOSURE OF EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders of the Parent by the weighted average number of Equity Shares outstanding during the year, including effect of shares to be issued pursuant to Scheme of Arrangement.

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

The following reflects the income and share used in the basic and diluted EPS computation:

Particulars	Year Ended March 31, 2021
Profit attributable to Equity Shareholders of the Parent (Figure in ₹)	10,083.90
Total number of Equity Shares at the end of the Year (Nos)	4,15,52,665
Weighted Average number of Equity Shares outstanding (Nos)	
- For basic EPS calculation	4,15,52,665
- For diluted EPS calculation	5,84,26,255
Nominal value per Equity Share (₹)	10
Basic Earnings Per Share (₹)	24.27
Diluted Earnings Per Share (₹)	17.26
Weighted Average number of Equity Shares	
Weighted Average number of Equity Shares for basic EPS	4,15,52,665
Effect of dilution:	
Optionally Convertible Reddemable Preference Shares (OCRPS)	1,68,73,590
Weighted average number of Equity Shares adjusted for the effect of dilution	5,84,26,255

32. TAX EXPENSE

a. Amounts recognised in Profit and Loss

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Current Income Tax	2,816.76
Deferred Tax Expenses	3,185.10
Tax Expense for the Year	**6,001.86**

b. Amounts recognised in Other Comprehensive Income

(Rs. in Lakhs)

Particulars	March 31, 2021		
	Before Tax	Tax (expense) benefit	Net of Tax
Items that will not be reclassified to Profit or Loss			
Remeasurements of the Defined Benefit Plans	(27.00)	9.43	(17.57)
Total	**(27.00)**	**9.43**	**(17.57)**

c. Reconciliation of Effective Tax Rate

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Profit Before Tax	**16,085.76**
Tax using the Company's domestic tax rate	5,621.01
(Current Year 34.944%)	
Non Deductible Tax Expenses	
Corporate Social Responsibility Exp	337.95
Others	42.88
Total	**6,001.87**
Effective Tax Rate	**37.31%**

d. Movement in Deferred Tax balances for the year ended 31st March 2021

(Rs. in Lakhs)

Particulars	Net balance 1st April 2020	Recognised in Profit or Loss	Recog-nised in OCI	Other	March 31, 2021		
					Net	Deferred Tax Asset	Deferred tax liability
Property, Plant and Equipment	(4,029.19)	(8,680.42)	-	-	(12,709.61)	-	(12,709.61)
Gain on derivative - Mark to market	129.64	30.16	-	-	159.80	159.80	-
Employee Benefits	57.25	(6.27)	9.43	-	60.41	60.41	-
Lease Liabilities	7.38	(0.95)	-	-	6.43	6.43	-
Carried Forward Loss	-	2,798.58	-	-	2,798.58	2,798.58	-
Tax Credit (MAT)	3,571.85	2,816.76	-	-	6,388.61	6,388.61	-
Others	358.20	(142.95)	-	-	215.25	215.25	-
Tax Assets/ (Liabilities)	**95.13**	**(3,185.09)**	**9.43**	**-**	**(3,080.53)**	**9,629.08**	**(12,709.61)**
Set off Tax	-	-	-	-	-	-	9,629.08
Net Tax Assets / (Liabilities)	-	-	-	-	-	-	**(3,080.53)**

33. GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

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

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Opening balance of Defined Benefit Obligation	**332.34**
Service Cost	
a. Current Service Cost	76.37
Interest Cost	20.27
Benefits Paid	(10.58)
Re-measurements	
a. Actuarial Loss/(Gain) from changes in financial assumptions	9.25
b. Actuarial Loss/(Gain) from experience over the past period	14.06
c. Actuarial (Loss)/Gain from change in demographic assumptions	-
Closing balance of the Defined Benefit Obligation	**441.71**

Table 2: Reconciliation of Fair Value of Plan Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Opening balance of Fair Value of Plan Assets	**230.02**
Contributions by Employer	105.16
Benefits Paid	(10.58)
Interest Income on Plan Assets	16.99
Re-measurements	
a. Actuarial (Loss)/Gain from changes in financial assumptions	-
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(3.69)
Closing balance of Fair Value of Plan Assets	**337.90**
Actual Return on Plan Assets	13.30
Expected Employer Contributions for the coming period	**100.00**

Table 3: Expenses Recognised in the Profit and Loss Account

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Service Cost	
a. Current Service Cost	76.37
b. Past Service Cost	-
c. Loss/(Gain) from Settlement	-
Net Interest on net Defined Benefit Liability/ (Asset)	3.28
Employer Expenses	**79.65**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Present Value of DBO	**441.71**
Fair Value of Plan Assets	337.90
Liability/ (Asset) recognised in the Balance Sheet	**103.81**
Funded Status [Surplus/(Deficit)]	**(103.81)**
Of Which, Short term Liability	**-**
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**14.06**
Experience Adjustment on Plan Assets: Gain/(Loss)	**(3.69)**

Table 5: Percentage Break-down of Total Plan Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Investment Funds with Insurance Company	**100%**
Of which, Traditional/ Non-Unit Linked	*100%*
Total	**100%**

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

Table 6: Actuarial Assumptions

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Salary Growth Rate	10% p.a.
Discount Rate	5.8% p.a.
Withdrawal Rate	12% p.a.
Up to age 35 years:	
Above age 35 years:	
Mortality	IALM 2012-14 Ult.
Expected Return on Plan Assets	6.1% p.a.
Expected weighted average remaining working life	5 years

Table 7: Movement in Other Comprehensive Income

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Opening Balance (Loss)/Gain	**(117.21)**
Re-measurements on DBO	
a. Actuarial (Loss)/Gain from changes in financial assumptions	(9.25)
b. Actuarial (Loss)/Gain from experience over the past period	(14.06)
c. Actuarial (Loss)/Gain from change in demographic assumptions	-
Re-measurements on Plan Assets	
a. Actuarial (Loss)/Gain from changes in financial assumptions	
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(3.69)
Remeasurement (Loss) on Defined Benefit Plans	**(27.00)**
Closing Balance (Loss)/Gain	**(144.21)**

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2021	Increases 1%
Salary Growth Rate	DBO increases by Rs 31.92 Lakh
Discount Rate	DBO decreases by Rs 29.53 Lakh
Withdrawal Rate	DBO decreases by Rs 8.44 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.20 Lakh
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.41 Lakh

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

Table 9: Movement in Surplus/ (Deficit)

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Surplus/ (Deficit) at start of period	**(102.32)**
Current Service Cost	(76.37)
Past Service Cost	-
Net Interest on net DBO	(3.28)
Actuarial gain/ (loss)	(27.00)
Contributions	105.16
Surplus/ (Deficit) at end of period	**(103.81)**

(b) Defined Contribution Plans

The Group makes Provident Fund contributions to Defined Contribution Plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised Provident Fund contribution of ₹ 129.97 Lakhs as expense in Note 28 under the head 'Contributions to Provident and Other Funds'.

34. RELATED PARTIES DISCLOSURES

Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	Meghmani Organochem Limited (MOL) Meghmani Dyes & Intermediates LLP (MDI) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Trent Chemical Industries (Trent Chemicals) Arjan Owners LLP (Arjan)(Formerly Panchratna Corporation) Meghmani Novotech Pvt Ltd (Meghmani Novotech) Meghmani LLP (formerly Meghmani Unichem LLP) (MLLP)
Key Managerial Personnel	Mr. Maulik Patel (Chairman and Managing Director) Mr. Kaushal Soparkar (Managing Director) Mr. Ankit Patel (Executive Director) Mr. Karana Patel, Executive Director Mr. Darshan Patel (Executive Director) Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
Relatives of Key Managerial Personnel	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
Non-Executive Directors	Mr.Manubhai Patel Mr.Balkrishna Thakkar Ms.Nirali Parikh

Transactions with Related Parties

(Rs. in Lakhs)

Particulars	Enterprises in which Key Managerial Personnel [KMP] & its Relatives have significant influence	Key Managerial Personnel and its Relatives	Total
	March 31, 2021	March 31, 2021	March 31, 2021
Sale of Goods to MOL	6,265.17	-	6,265.17
Sale of Goods to MDIL	551.33	-	551.33
Sale of Goods to MIL	829.19	-	829.19
Sale of Goods to MP	104.51	-	104.51
Sale of Goods to MLLP	2,331.23	-	2,331.23
Sale of Goods to Trent Chemicals	793.10	-	793.10
Sale of Goods to Meghmani Novotech	8.23	-	8.23
Availing of Services (Rent) Arjan	123.11	-	123.11
Purchase of Services from MOL	13.82	-	13.82
Purchase of MEIS License from MOL	352.49	-	352.49
Sitting fees	-	5.50	5.50
Maulik Patel- Remuneration	-	305.78	305.78
Kaushal Soparkar- Remuneration	-	305.78	305.78
Ankit Patel- Remuneration	-	305.49	305.49
Karana Patel- Remuneration	-	195.49	195.49
Darshan Patel- Remuneration	-	140.49	140.49
Sanjay Jain - Remuneration	-	40.63	40.63

Outstanding Balances with Related Parties

(Rs. in Lakhs)

Particulars	Enterprises in which Key Managerial Personnel [KMP] & its Relatives have significant influence	Key Managerial Personnel and its Relatives	Total
	March 31, 2021	March 31, 2021	March 31, 2021
Receivable from MOL	1,644.24	-	1,644.24
Receivables from MDI	102.47	-	102.47
Receivables from MIL	202.34	-	202.34
Receivables from MP	12.94	-	12.94
Receivables from MLLP	519.11	-	519.11
Receivables from Trent Chemical	159.91	-	159.91
Receivables from Meghmani Novotech	5.06	-	5.06
Payable to MOL	13.82	-	13.82
Payable for MEIS Licence	29.12	-	29.12
Remuneration Payable to Maulik Patel	-	275.04	275.04
Remuneration Payable to Kaushal Soparkar	-	275.04	275.04
Remuneration Payable to Ankit Patel	-	275.15	275.15
Remuneration Payable to Karna Patel	-	166.98	166.98
Remuneration Payable to Darshan Patel	-	111.98	111.98
Remuneration Payable to Sanjay Jain	-	2.31	2.31

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

(ii) Group's transactions with Related Parties are at arm's length. Management believes that the Group's domestic transactions with related parties post 31st March 2021 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

35. SEGMENT REPORTING

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

Analysis By Geographical Segment

Segment Revenue is analysed based on the location of Customers regardless of where the goods are produced. The following provides an analysis of the Sales by Geographical Markets.

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Revenue :	
Within India	82,017.51
Outside India	576.22
Total Revenue from Contracts with Customers	**82,593.73**

Continue...

The following is analysis of the carrying amount of Non Current Assets, which do not include Deferred Tax Assets, Tax Assets, Investments in Subsidiary and Financial Assets analysed by the geographical area in which the assets are located:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021
Carrying amount of Segment Assets	
Within India	1,25,460.17
Outside India	-

36. CONTINGENT LIABILITIES & COMMITMENTS

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

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Disputed Service Tax Liability	108.37
Disputed Custom Duty Liability	621.83
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Company has assessed that it is only possible but not probable, the outflow of economic resources will be required)	
In respect of Letter of Credit	565.12

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of ₹ 36,282.83 Lakhs and not provided for (Net of Advances).

C. Other Commitment

The Holding Company has imported capital good for the various expansion projects under the EPCG Scheme at nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 3,070.20 lakhs which is equivalent to 6 times of duty saved of ₹ 696.28 lakhs. The export obligation has to be completed by 2024-25.

37. LEASES

The Group has lease contracts for office premise. Leases of office premise is having lease terms of 9 years. The Holding Company's obligations under its leases are secured by the lessor's title to the leased assets. The Holding Company is restricted from assigning and subleasing the leased assets and some contracts require the Holding Company to maintain premises in good state. The lease contract include extension and termination options.

The Group also has a Sales Office with lease terms of 12 months or less. The Holding Company applies the 'short-term lease' recognition exemptions for this lease.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

A. Leases as lessee

(i) The movement in Lease liabilities during the Year

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Opening Balance	**439.45**
Additions during the Year	-
Finance costs incurred during the Year	34.90
Payments of Lease Liabilities	(98.80)
Balance at the end of the Year	**375.55**

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Opening Balance	**1,542.17**
Re-Classification on account of adoption of Ind AS 116	-
Additions during the Year	-
Depreciation charged during the Year	(95.36)
Balance as at 31st March, 2021	**1,446.82**

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Depreciation expense of Right-of-Use assets	95.36
Interest expense on lease liabilities	34.90
Expense relating to short-term leases (included in other expenses)	2.99
Total Expenses	**133.25**

(iv) Amounts recognised in Statement of Cash Flows

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Total Cash outflow for Leases	(98.80)

(v) Maturity analysis of Lease Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Maturity Analysis of contractual undiscounted cash flows	
Less than one year	98.80
One to five years	349.09
More than five years	-
Total undiscounted Lease Liability	**447.89**

(Rs. in Lakhs)

Balances of Lease Liabilities	As at March 31, 2021
Non-Current Lease Liability	306.00
Current Lease Liability	69.55
Total Lease Liability	**375.55**

38. Capital Management

Capital includes Equity and OCRPS attributable to the Equity and OCRPS holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Group may adjust the dividend payment to Shareholders, return on capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2021

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

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Total Interest bearing liabilities	53,831.14
Less : Cash and Cash Equivalent	68.00
Adjusted Net Debt	**53,763.14**
Total Equity	68,413.39
Adjusted Equity	**68,413.39**
Adjusted Net Debt to Adjusted Equity ratio	0.79

39. Financial Instruments – Fair Values and Risk Management

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

A. Category-wise classification of Financial Instrument

The carrying value of Financial Instruments by categories as of 31st March, 2021 is as follows:

(Rs. in Lakhs)

March 31, 2021	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Compre-hensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 4)	247.13	-	788.67	1,035.80
Trade Receivables (refer note 8)	-	-	11,883.73	11,883.73
Cash and Cash Equivalents (refer note 9)	-	-	68.00	68.00
Loans (refer note 10)	-	-	11.42	11.42
Other Current Financial Assets (refer note 11)	123.57	-	60.23	183.80
Total Financial Assets	**370.70**	**-**	**12,812.05**	**13,182.75**
Financial Liabilities				
Non-Current Borrowings (refer note 15)	-	-	34,046.74	34,046.74
Other Non-Current Financial Liabilities (refer note 16)	-	-	306.00	306.00
Current Borrowings (refer note 18)	-	-	7,503.49	7,503.49
Trade Payable (refer note 19)	-	-	7,304.93	7,304.93
Other Current-Financials Liabilities (refer note 20)	-	-	23,306.85	23,306.85
Total Financial Liabilities	**-**	**-**	**72,468.01**	**72,468.01**

B. Measurement of Fair values and Sensitivity analysis

Fair Value Hierarchy:

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

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

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

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

Financial Instrument measured at Fair Value

(Rs. in Lakhs)

Financial Assets / Financial Liabilities	Fair value as at March 31, 2021	Fair value hierarchy	Significant observable inputs
Mark to market Derivative Assets on interest Rate Swap and cross Currency Swap valued at FVTPL. (refer note 4 & 11)	370.70	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

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

There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2021.

Financial Risk Management Framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this department include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies. The Group's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Group's operations. The Group's principal Financial Assets include Loans, Trade and other Receivables, Cash and Cash Equivalents, Other Bank Balances and Other Financial Assets that derive directly from its Operations.

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

The Group has exposure to the following risks arising from Financial Instruments

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

i. Credit Risk

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

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

Financial Instruments and Cash Deposit:

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

Trade Receivables

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

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

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

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Domestics	11,729.11
Other Regions	154.62
Total	**11,883.73**

Age of Receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2021
Neither due nor Impaired	9,343.52
Past due 1–90 days	2,309.45
Past due 91–180 days	53.86
More than 180 days	176.91
	11,883.73

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

Management estimates that the amount of provision of Rs 18.38 Lakh is appropriate

ii. Liquidity Risk

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

Exposure to Liquidity Risk

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

Non-Derivative Financial Liabilities

(Rs. in Lakhs)

March 31, 2021	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
India Rupee loan	33,979.65	33,979.65	8,164.91	8,164.91	17,649.82	
Foreign currency loan	12,348.00	12,348.00	4,116.00	4,116.00	4,116.00	
Working Capital Loans from Banks	7,503.49	7,503.49	7,503.49	-	-	-
Trade Payables	7,304.93	7,304.93	7,304.93	-	-	-
Other Payables	11,030.92	11,030.92	11,030.92	-	-	-
Total	**72,166.99**	**72,166.99**	**38,120.25**	**12,280.91**	**21,765.82**	**-**

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

Excessive Risk Concentration

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

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

iii. Market Risk

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

Foreign Currency Risk

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

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

Exposure to Currency Risk

The Currency profile of Current Financial Assets and Current Financial Liabilities as at 31st March, 2021 are as below:

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

(Rs. in Lakhs)

March 31, 2021	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables	11,883.73	154.62	-	-	11,729.11
Other Non-Current Financial Assets	1,035.80	-	247.13	-	788.67
Other Current Financial Assets	183.80	-	123.57	-	60.23
	13,103.33	154.62	370.70	-	12,578.01
Financial Liabilities					
Non Current Borrowings	34,046.74	-	8,232.00	-	25,814.74
Trade Payables	7,304.93	-	6.86	-	7,298.07
Other Current Financial Liabilities	23,306.85	1,319.98	4,120.15	117.88	17,748.84
Less : Foreign Currency Hedged	12,348.00	-	12,348.00	-	-
Total	**52,310.52**	**1,319.98**	**11.01**	**117.88**	**50,861.64**

Sensitivity Analysis

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

(Rs. in Lakhs)

March 31, 2021	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(58.27)	58.27	(37.91)	37.91
EUR	17.98	(17.98)	11.70	(11.70)
CNY	(5.89)	5.89	(3.83)	3.83

Interest Rate Risk

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

Exposure to Interest Rate Risk

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

(Rs. in Lakhs)

Variable-Rate Instruments	March 31, 2021
Non-Current - Borrowings	34,046.74
Current - Borrowings	7,503.49
Current portion of Long Term Borrowings	12,280.91
Total	**53,831.14**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

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

(Rs. in Lakhs)

March 31, 2021	Profit or (Loss)		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2021				
Non-Current - Borrowings	(340.47)	340.47	(221.49)	221.49
Current - Borrowings	(75.03)	75.03	(48.81)	48.81
Current portion of Long Term Borrowings	(122.81)	122.81	(79.89)	79.89
Total	**(538.31)**	**538.31**	**(350.20)**	**350.20**

40. COMPOSITE SCHEME OF ARRANGEMENT

Subsequent to the year end, NCLT Ahmedabad Bench vide its order dated 03 May 2021 (the "Order"), approved the Composite Scheme of Arrangement ("the Scheme") to merger the Company Meghmani Organics Limited (MOL) with the Holding Company Meghmani Finechem Limited along with its Trading Division and Equity Investment in the Company. The Holding Company has filed the certified true copy of the Order with the Ministry of Corporate Affairs (the "MCA") on 10th May 2021.

The Group has given effect to the merger for the year ended March 31, 2021 considering it as an adjusting event and has accounted the same as per the pooling of interest method since the conditions as per the requirements of Ind AS 103 – Business Combinations of entities under common control are met. Further, previous year numbers have been Restated as per the requirements of Ind AS 103.

As per the share swap ratio approved by NCLT in its Order, the Parent Company is in process of making allotment of Equity Shares in the ratio of 94 Equity Shares of Rs. 10 each for every 1,000 Equity Shares of Re. 1 each held by the shareholders of MOL. Further, as per the Order, shares issued to MOL comprising of 2,35,45,985 shares of Rs. 10 each stands cancelled.

The impact of the merger on these Financial Statements is as under:

(Rs. in Lakhs)

Authorised Share Capital	Net Asset Acquired	Value of Equity	Capital Reserve
Merger of Meghmani Organics Limited along with its Trading division and Equity investment in the Holding Company	2,416.35	2,390.55	25.80

Conversion of Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS):

As per the Order, OCRPS issued by the Parent Company is transferred to Meghmani Organochem Limited as per the Scheme. Further, the OCRPS will be converted into equal number of RPS with same terms and conditions and tenure from the effective date i.e. May 3, 2021 i.e. the date of the Order . Accordingly, OCRPS is classified as equity instrument under total equity for the year ended March 31, 2021 and the same will be classified and accounted for as debt instrument from the effective date.

Increase in authorised share capital:

As per the Order, authorised share capital representing 2,55,00,000 equity shares of Meghmani Organics Limited has been transferred to the Holding Company. Holding Company has filed form INC 28 for the change in authorised share capital with the MCA on 10th May 2021 which is under approval.

41. Covid 19 Impact :

The Group continues to adopt measures to curb the impact of COVID-19 pandemic in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial The Group has taken into account all the possible impacts of COVID-19 in preparation of these Consolidated Financial Statements, including but not limited to its assessment of liquidity and going concern assumption and recoverable values of its financial and non-financial assets. The Group has carried out this assessment based on available internal and external sources of information up to the date of approval of these Consolidated Financial Statements and believes that the impact of COVID-19 is not material to these financial results and expects to recover the carrying amount of its assets and meet the current financial obligations. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the Group will continue to monitor any material changes to future economic conditions.

42. Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to approval of Consolidated Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Consolidated Financial Statements. As of 20th May 2021 there were no material subsequent events to be recognized or reported that are not already disclosed.

43. (a) Information about Subsidiary

The Consolidated financial statements consists of the Holding Company Meghmani Finechem Limited and one subsidiary Company Meghmani Advanced Sciences Limited. The Subsidiary Company has share capital consisting solely of equity shares which are fully held directly by the Holding company. The subsidiary company was incorporated on January 27, 2021 in India and is yet to commence its business operations.

(b) Additional Information Required by Schedule III

(Rs. in Lakhs)

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities		Share in Profit/ (Loss)		Share in other Comprehensive Income/(Loss)		Share in Total Comprehensive Income/(Loss)	
	As % of Consoli-dated Net Assets	Amount	As % of Consoli-dated Profit/ (Loss)	Amount	As % of Other Compre-hensive Income	Amount	As % of Total Compre-hensive Income	Amount
A Parent								
Meghmani Finechem Limited 31 March 2021	100%	68,413.39	100%	10,083.90	100%	(17.57)	100%	10,066.33
B Subsidiary								
(I) Indian								
Meghmani Advanced Sciences Limited 31 March 2021	0%	-	0%	-	0%	-	0%	-

44. The Holding Company had not made investment in Subsidiary/Associate upto the year ended March 31, 2020 and accordingly requirement for preparation of Consolidated Financial Statement was not applicable. During the year, the Holding Company has invested in a newly incorporated Company Meghmani Advanced Sciences Limited which is its 100% subsidiary. Accordingly, as per the requirements of Schedule III, the Holding Company has prepared Consolidated Financial Statement for the first time and the disclosure pertaining to previous year figures are not applicable.

as per our report of even date

FOR S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

For And on Behalf of The Board of Directors of
Meghmani Finechem Limited
(CIN-U24100GJ2007PLC051717)

Sukrut Mehta
Partner
Membership No : 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN-2006947

Place : Ahmedabad
Date : 20th May 2021

K D Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN-01998162

AUDITED STANDALONE FINANCIALS FOR FINANCIAL YEAR ENDED AS ON MARCH 31, 2021

Quote

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Finechem Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Meghmani Finechem Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the

Continue...

Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2 of the standalone financial statements)*	
The Company majorly generates revenue from sale of Choro Alkali and its Derivatives products. The Company recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period..	Our audit procedures included the following: • Read and evaluated the Company’s policy for revenue recognition and assessed its compliance with Ind AS 115 ‘Revenue from contracts with customers’. • Assessed the design and tested the operating effectiveness of internal controls related to revenue. • Performed sample test of sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers. • Performed sample tests of transactions near year end date as well as credit notes issued after the year end date. • Assessed the relevant disclosures in Standalone financial statements for compliance with disclosure requirements.
Business combination – Merger of trading division of Meghmani Organics Limited (MOL) along with its investment in equity shares of the Company *(as described in Note 42 of the standalone financial statements)*	
As per the Scheme of Arrangement, trading division of Meghmani Organics Limited (MOL) along with its investment in equity shares of the Company has merged into the Company (‘the Scheme’). The Scheme was approved by the National Company Law Tribunal (‘NCLT’) vide its order dated May 3, 2021. The Company has given effect of the Scheme in the standalone financial statements considering business combination under common control as per the requirements of Ind AS 103. The Scheme has a significant impact on the standalone financial statements of the Company including shareholding structure and comparative figures basis which the same is considered as a key audit matter for the year.	Our audit procedure included the following: • Obtained and read the Scheme, and compared the assets and liabilities pertaining to trading division and equity investments in the Company considered for accounting as per the scheme. • Assessed the accounting as per the applicable standards including, cancellation of shareholding of MOL and issuing of equity shares to shareholders of MOL as per the share swap ratio approved in the Scheme. • Obtained and read the approval of National Company Law Tribunal (NCLT) for giving effect to the scheme. • Assessed accounting in accordance with scheme. • Tested underlying workings used in accounting calculations, including for previous year (March 31, 2020) restated financial information of the Company. • Read and assessed the disclosures in the standalone financial statements for compliance with disclosure requirements.

Information other than the standalone financial statements and Auditor’s report thereon:

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s report, but does not include the standalone financial statements and our auditor’s report thereon.

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

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

Responsibilities of Management for the Standalone Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “Annexure 1” a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
   f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
   g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
   h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 to the standalone financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 21101974AAAACB6841
Place of Signature: Ahmedabad
Date: May 20, 2021

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Finechem Limited for the year ended March 31, 2021.

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
   (b) All property, plant and equipment were physically verified by the management during the year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification, performed in accordance with laid down programme.
   (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

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

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

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

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

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

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of custom, goods and services tax, professional tax, cess and other statutory dues are generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of provident fund and other statutory dues.
   (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, duty of custom, goods and services tax, professional tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
   (c) According to the information and explanations given to us, there are no dues of income tax, duty of excise, duty of customs, goods and service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of statute	Nature of dues	Amount involved (Rs. in lakhs)*	Period	Forum where the dispute is pending
Custom Act, 1962	Custom Duty	621.83	2012-13	CESTAT
The Finance Act (Service Tax), 1994	Service Tax	51.13	2012-13 and 2014-15	CESTAT, Departmental Authorities

*Net of amount paid under protest amounting to INR 6.21 lakhs and reversal of credit amounting to INR 51.02 lakhs

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

ix. According to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised money by way of initial public offer, further public offer and debt instrument during the year.

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

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

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

xiii. According to the information and explanations given by the management on certain transactions entered with related parties being of specialized nature, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

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

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

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

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

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 21101974AAAACB6841
Place of Signature: Ahmedabad
Date: May 20, 2021

Annexure 2 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 (“the Act”)

We have audited the internal financial controls over financial reporting of Meghmani Finechem Limited (“the Company”) as of March 31, 2021 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls System Over Financial Reporting with reference to these standalone financial statements

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 21101974AAAACB6841
Place of Signature: Ahmedabad
Date: May 20, 2021

Meghmani Finechem Limited
Standalone Balance Sheet as at 31st March 2021

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020*
Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	1,07,065.17	44,017.31
(b) Capital Work-in-Progress	3.2	12,583.73	69,115.68
(c) Other Intangible Assets	3.3	3,165.90	-
(d) Investment in Subsidiary	4	5.00	-
(e) Financial Assets			
(i) Other Financial Assets	5	1,035.80	364.11
(f) Deferred Tax Assets (Net)	33	-	95.13
(g) Income Tax Assets (Net)	6	245.07	199.86
(h) Other Non-Current Assets	7	2,645.36	345.83
Total Non-Current Assets		**1,26,746.03**	**1,14,137.92**
Current Assets			
(a) Inventories	8	5,395.97	4,840.31
(b) Financial Assets			
(i) Trade Receivables	9	11,883.73	7,645.20
(ii) Cash and Cash Equivalents	10	68.00	9.69
(iii) Loans	11	11.42	17.51
(iv) Other Financial Assets	12	183.80	115.74
(c) Other Current Assets	13	586.26	579.81
Total Current Assets		**18,129.18**	**13,208.26**
TOTAL ASSETS		**1,44,875.21**	**1,27,346.18**
Equity and Liabilities			
Equity			
(a) Equity Share Capital	14	4,155.27	4,155.27
(b) Instruments entirely Equity in nature	14	21,091.99	21,091.99
(c) Other Equity	15	43,166.13	33,099.80
Total Equity		**68,413.39**	**58,347.06**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	34,046.74	41,828.53
(ii) Other Financial Liabilities	17	306.00	533.35
(b) Provisions	18	162.85	155.30
(c) Deferred Tax Liabilities (Net)	33	3,080.53	-
Total Non-Current Liabilities		**37,596.12**	**42,517.18**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	7,503.49	1,971.99
(ii) Trade Payables	20		
Total outstanding dues of Micro and Small Enterprises		248.01	724.88
Total outstanding dues of Creditors other than Micro and Small Enterprises		7,056.92	3954.36
(iii) Other Financial Liabilities	21	23,311.85	19,468.19
(b) Other Current Liabilities	22	725.77	344.37
(c) Provisions	23	10.04	8.53
(d) Current Tax Liabilities (Net)	24	9.62	9.62
Total Current Liabilities		**38,865.70**	**26,481.94**
Total Liabilities		**76,461.82**	**68,999.12**
TOTAL EQUITY AND LIABILITIES		**1,44,875.21**	**1,27,346.18**
Summary of Significant Accounting Policies	2		

*Restated pursuant to Scheme of Arrangement (refer note 42)

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

as per our report of even date

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Sukrut Mehta Partner Membership No : 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director DIN-2006947
Place : Ahmedabad **Date : 20th May 2021**	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director DIN-01998162

Meghmani Finechem Limited
Standalone Statement of Profit and Loss for the year ended on March 31, 2021

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020*
Revenue			
I - Revenue From Operations	25	82,860.03	61,050.63
II - Other Income	26	218.90	231.15
Total Income (A)		**83,078.93**	**61,281.78**
Expenses			
Cost of Materials Consumed	27	38,609.98	27,865.54
Purchase of Stock-in-Trade		42.11	71.38
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	(120.48)	(429.08)
Employee Benefits Expense	29	5,360.94	4,401.84
Finance Costs	30	2,911.37	1,114.35

Continue...

Depreciation and Amortization Expenses	3	7,354.48	4,430.20
Other Expenses	31	12,834.77	9,728.27
Total Expenses (B)		66,993.17	47,182.50
Profit Before Tax (C) = (A-B)		**16,085.76**	**14,099.28**
Tax Expenses			
Current Tax	33	2,816.76	2,534.16
Net Deferred Tax Expense		3,185.10	365.35
Total Tax Expenses (D)		**6,001.86**	**2,899.51**
Profit For The Year (C-D)		**10,083.90**	**11,199.77**
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss in Subsequent periods - Remeasurement gain / (loss) on defined benefit plans		(27.00)	(41.59)
(ii) Income tax effect on above		9.43	14.53
Total Other Comprehensive Income/(Loss) for the year net of Tax (F)		(17.57)	(27.06)
Total Comprehensive Income For The Year (G) = (E+F)		**10,066.33**	**11,172.71**
Earnings Per Equity Share (Face Value of Rs. 10 Each) (In Rs.)			
Basic	32	24.27	26.95
Diluted		17.26	19.17
Summary of Significant Accounting Policies	2		

*Restated pursuant to Scheme of Arrangement (refer note 42)

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

as per our report of even date

FOR S R B C & CO LLP

For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta
Partner
Membership No : 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN-2006947

Place : Ahmedabad
Date : 20th May 2021

K D Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN-01998162

Meghmani Finechem Limited

Standalone Cash Flow Statement for the year ended 31st March 2021

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020*
A. Cash Flow from Operating Activities		
Profit Before Taxation	16,085.75	14,099.28
Adjustment for :		
Depreciation and Amortisation Expenses	7,354.48	4,430.20
Interest Income	(14.81)	(13.89)
Interest and Finance Charges	3,075.57	820.31
Mark to Market Loss/(Gain) on Derivative (Net)	(528.50)	(623.51)
Unrealised Foreign Exchange Loss/(Gain) on borrowings, net	329.40	917.55
Lease Liability Interest	34.90	-
Unrealised Foreign Exchange Loss	(14.44)	126.77
(Profit)/Loss on Sale of Property, Plant & Equipment	(0.28)	4.51
Profit on Sale of Mutual Fund	-	(38.99)
Sundry Balances Written off	44.92	
Sundry Balances Written back	(18.77)	(38.29)
Operating Profit before Working Capital changes	**26,348.22**	**19,683.93**
Adjustment for:		
(Increase) in Inventories	(555.65)	(774.90)
(Increase)/Decrease in Trade Receivables	(4,240.07)	91.09
(Increase) in Other Non Current Financial Assets	(411.76)	(40.57)
(Increase)/Decrease in Other Current Financial Assets	55.47	(88.09)
(Increase) in Other Current Assets	(6.45)	(14.00)
Decrease in Short Term Loans and Advances	6.08	18.13
Increase in Trade Payables	2,596.76	943.80
Increase/(Decrease) in Long Term Provision	(19.45)	2.14
Increase/(Decrease) in Other Current Financial Liabilities	1,627.50	(637.88)
Increase in Other Current Liabilities	381.38	115.57
Increase in Short Term Provisions	1.50	3.53
Working Capital Changes	**(564.69)**	**(381.20)**
Cash Generated from Operation	**25,783.53**	**19,302.74**
Direct Taxes Paid (Net of Refund)	(2,861.97)	(2,834.49)
Net Cash Generated from Operating Activities	**22,921.56**	**16,468.24**
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipments	(19,679.88)	(36,925.96)
Proceed from Sale of Property, Plant & Equipments	4.55	2.65
(Investment in)/Redemption of Fixed Deposits	(6.04)	160.27
Interest Received	8.09	403.51
Investment in Mutual Fund	-	(4,600.00)
Proceeds from Sale of Mutual Funds	-	4,638.99
Net Cash (Used in) Investing Activities	**(19,673.28)**	**(36,320.55)**
C. Cash Flow from Financing Activities		
Interest and Finance Charges Paid	(3,972.33)	(3,659.82)
Proceeds from Long-Term Borrowing	4,070.00	13,197.00
Repayment of Long-Term Borrowing	(8,720.35)	(2,200.00)
Proceed from Short-Term Borrowing (Net)	5,531.50	1,735.36
Payment of Lease Liability	(98.80)	(97.73)
Dividend paid on Preference Shares	-	(1,687.36)
Tax on Dividend paid on Preference Shares	-	(346.84)
Net Cash (Used in)/Generated from Financing Activities	**(3,189.98)**	**6,940.62**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**58.30**	**(12,911.68)**
Cash and Cash Equivalent at the beginning of the Year	**9.69**	**12,921.39**
Cash and Cash Equivalent at the end of the Year	**68.00**	**9.69**
Cash and Cash Equivalent comprises as under		
Cash on Hand	1.33	1.49
Balance with Schedule Banks in Current Accounts	25.66	8.20
Deposits with Schedule Banks	0.10	-
Cheque on Hand	40.91	-
Cash & Cash Equivalent at the end of the Year (refer note 10)	**68.00**	**9.69**

*Restated pursuant to Scheme of Arrangement (refer note 42)

Notes to the Cash Flow statement for the year ended on 31st March 2021.

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

2) Changes in liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	April 1, 2020	Cash flows	Other	March 31, 2021
Current Borrowings (Note 19)	1,971.99	5,531.50	-	7,503.49
Non-Current Lease Liabilities (Note 39)	375.55	(98.80)	29.25	306.00
Non- Current Borrowings (Note 16)	41,828.53	(4,650.35)	(3,131.44)	34,046.74
Accrued Interest (Note 21)	405.50	(405.50)	332.10	332.10
Total Liabilities from Financing Activities	**44,581.57**	**376.85**	**(2,770.09)**	**42,188.32**

Particulars	April 1, 2019	Cash flows	Other	March 31, 2020
Current Borrowings (Note 19)	236.63	1,735.36	-	1,971.99
Non-Current Lease Liabilities (Note 39)	-	(97.73)	473.28	375.55
Non- Current Borrowings (Note 16)	36,534.05	10,997.00	(5,702.52)	41,828.53
Accrued Interest (Note 21)	346.53	(346.53)	405.50	405.50
Total Liabilities from Financing Activities	**37,117.21**	**12,288.11**	**(4,823.75)**	**44,581.57**

Others includes the effects of reclassification of Non-Current portion of Borrowings including Lease Liabilities to Current due to passage of time and effect of unrealized foreign currency amount on External Commercial Borrowings

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

as per our report of even date

FOR S R B C & CO LLP

For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta
Partner
Membership No : 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN-2006947

Place : Ahmedabad
Date : 20th May 2021

K D Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN-01998162

Meghmani Finechem Limited

Standalone Statement of Changes in Equity for the year ended 31st March 2021

(A) Equity Share Capital **Rs. in Lakhs**

Particulars	No. of Shares	Amount
Equity Share of Rs.10 each Issued, Subscribed and fully Paid up		
Balance as at 1st April 2019	**4,11,93,114**	**4,119.31**
To be cancelled pursuant to Scheme of Arrangements*	(2,35,45,985)	(2,354.60)
To be issued pursuant to Scheme of Arrangement*	2,39,05,536	2,390.55
Balance as at 1st April 2019	**4,15,52,665**	**4,155.27**
Balance as at 31st March 2020	**4,15,52,665**	**4,155.27**
Change during the Year	-	-
Balance as at 31st March 2021	**4,15,52,665**	**4,155.27**
*Restated pursuant to Scheme of Arrangement (refer note 42)		

(B) Instrument entirely Equity in nature **Rs. in Lakhs**

Particulars	No. of Shares	Amount
8% Optionally Convertible Redeemable Preference Shares of Rs.10/- Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2019	21,09,19,871	21,091.99
Balance as at 31st March 2020	21,09,19,871	21,091.99
Balance as at 31st March 2021	**21,09,19,871**	**21,091.99**

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

Particulars	Reserves & Surplus		
	Capital Reserve	Retained Earnings	Total Other Equity
Balance at 1st April 2019*	**(24,668.28)**	**48,629.57**	**23,961.29**
Profit for the Year	-	11,199.77	11,199.77
Other Comprehensive Income for the Year (net of Taxes)	-	(27.06)	(27.06)
Total Comprehensive Income for the Year	**-**	**11,172.71**	**11,172.71**
Dividend Paid During the Year	-	(1,687.36)	(1,687.36)
Dividend Distribution Tax (DDT)	-	(346.84)	(346.84)
Balance at 31st March 2020	**(24,668.28)**	**57,768.08**	**33,099.80**
Profit for the Year	-	10,083.90	10,083.90
Other Comprehensive Income for the Year (net of Taxes)	-	(17.57)	(17.57)
Total Comprehensive Income for the Year	**-**	**10,066.33**	**10,066.33**
Balance as at 31st March 2021	**(24,668.28)**	**67,834.41**	**43,166.13**

Restated pursuant to Scheme of Arrangement (refer note 42)

as per our report of even date

FOR S R B C & CO LLP

For And on Behalf of The Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

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Chairman & Managing Director
DIN-2006947

Place : Ahmedabad
Date : 20th May 2021

K D Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN-01998162

Meghmani Finechem Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2021

1. CORPORATE INFORMATION

Meghmani Finechem Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. The registered office at Plot No.CH1, CH2, GIDC Industrial Estate, Dahej, Tal. Vagara, Dist. Bharuch 392 130 Gujarat, India. The company is primarily engaged in manufacturing and selling of Chlor Alkali & its Derivatives. The company is also engaged in trading of agrochemical products.

The Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 20th May 2021.

2. SIGNIFICANT ACCOUNTIG POLICIES

2.1 Basis for Preparation of Accounts

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

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

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

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

2.2 Significant Accounting Estimates, Assumptions and Judgements

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

Estimates and Assumptions

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

Taxes:

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

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 34 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, Plant and Equipment

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

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.

Impairment of Non- Financial Assets

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

2.3 Summary of Significant Accounting Policies

a. BUSINESS COMBINATION

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

b. CURRENT VS. NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

A liability is treated as current when it is:

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

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

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

c. REVENUE RECOGNITION

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

1) Sale of Goods

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

(i) Variable Consideration

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

Volume Rebates

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

(ii) Contract Assets

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

(iii) Trade Receivables

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

(iv) Contract Liabilities

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

2) Interest Income

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

3) Export Incentives

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

4) Dividend

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

5) Insurance Claims

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

d. FOREIGN CURRENCIES

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

Transactions and Balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit or Loss.

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

e. FAIR VALUE MEASUREMEMT

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

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

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

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

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis

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of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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

f. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for Plant and Machinery pertaining to power generating units, Chloromethane and Hydrogen Peroxide Plant capitalized on July 31, 2020.The estimated useful life of these assets are based on independent technical evaluation, The useful life of which has been estimated as 20 years for plant and machinery of Power generating unit and 12 years for Plant and machinery of Chloromethane plant (on single shift basis) 20 years for plant and machinery of Hydrogen Peroxide plant which is different from that prescribed in schedule II of the Act. Depreciation is not provided on Freehold Land. Leasehold Land is amortized over the lease period on Straight line basis. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Asset	Estimated Useful life
Leasehold Land	99 Years
Building	30 Years
Carpeted Roads – RCC	10 Years
Plant & Machinery	12-20 Years
Electrical Installations	10 Years
Captive Power Plant and equipments	20 – 40 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

g. INTANGIBLE ASSETS

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

The useful lives of Intangible Assets are assessed as either finite or indefinite.

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

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

Intangible Assets

Assets	Amortization Method	Amortization Period
Usage Rights	On Straight-line basis	10 years
Technical Know How	On Straight-line basis	10 years

h. IMPAIRMENT OF NON- FINANCIAL ASSETS

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

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

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

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

i. FINANCIAL INSTRUMENT

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

(A) Financial Asset

Initial Recognition and Measurement

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

Debt Instruments at Amortised Cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)

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

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

b) The asset's contractual cash flows represent SPPI.

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

Debt Instrument at Fair Value through Profit & Loss (FVTPL)

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

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

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

Equity Investments

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

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

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

De-recognition

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

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

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

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

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

Impairment of Financial Assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

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

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

- Trade receivables

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent measurement of Financial Liabilities

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

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

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

Loan and Borrowings

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

Trade and Other Payables

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

Derivatives and Hedging Activities

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

De-recognition

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

Off-setting Financial Instrument

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

j. INVENTORIES

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

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

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

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

k. BORROWING COSTS

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

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS

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

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

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

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

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

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

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

m. ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax

Current Income Taxes

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

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

Deferred Taxes

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

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

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

Minimum Alternate Tax (MAT)

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

n. PROVISIONS

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

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

o. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a Contingent Liability but discloses its existence in the Financial Statements.

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

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

p. LEASES

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Where the Company is the lessee

The Company recognises a Right-Of-Use Asset and a Lease Liability at the lease commencement date. The Right-Of-Use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The Right-Of-Use Assets and Lease Liabilities include these options when it is reasonably certain that the option will be exercised.

The Right-Of-Use Assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-Of-Use Assets or the end of the lease term. In addition, the Right-Of-Use Assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the Lease Liability.

The Lease Liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Lease Liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the Lease Liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the Right-Of-Use Asset or is recorded in profit or loss if the carrying amount of the Right-Of-Use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognise Right-Of-Use Assets and Lease Liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

q. EARNING PER SHARE

Basic Earnings Per Share

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

Diluted Earnings per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

r. CASH AND CASH EQUIVALENTS

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

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

s. SEGMENT REPORTING

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

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

Segment policies:

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

t. Dividend to Equity and Optionally Convertible Preference Shareholders of the Company

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

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

u. New Standards, Interpretations and amendments adopted by the company

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2020, except for

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the adoption of new standards effective or amendments to the existing Indian Accounting Standards (Ind AS) as of April 01, 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the first time, following new interpretations and amendments w.e.f., April 01, 2020 and do not have material impact on the financial statements of the Company.

a) Amendments to Ind AS 1, Ind AS 8 and Ind AS 10: Definition of Material;

b) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform;

c) Amendments to Ind AS 103 Business Combinations: Clarification on Definition of Business;

d) Amendments to Ind AS 116: Covid-19-Related Rent Concessions;

Notes to the Standalone Financial Statement for The Year Ended 31st March 2021

3. Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2021 **(Rs. in Lakhs)**

Sr. No.	Descriptions	Gross Block				Depreciation / Amortisation				Net Block	
		1st April, 2020	Additions	Deduction / Adjustments	31st March, 2021	1st April, 2020	For the Year	Deduction / Adjustments	31st March, 2021	31st March, 2021	31st March, 2020
3.1	**Tangible Assets**										
	Right to use Asset - Lease Hold Land	1,136.93	-	-	1,136.93	13.07	13.06	-	26.13	1,110.80	1,123.86
	Building	12,064.44	3,420.86	-	15,485.30	2,314.28	584.56	-	2,898.84	12,586.46	9,750.16
	Building ROU Assets	500.61	-	-	500.61	82.29	82.29	-	164.58	336.02	418.32
	Plant & Machineries	42,274.04	50,209.67	-	92,483.71	19,133.81	5,334.43	-	24,468.24	68,015.48	23,140.23
	Captive Power Plant & Equipments	12,254.28	16,262.31	-	28,516.59	3,045.27	1,025.60	-	4,070.87	24,445.72	9,209.01
	Furnitures & Fixtures	281.41	173.51	-	454.92	105.34	28.27	-	133.61	321.31	176.07
	Office Equipment	75.72	34.31	-	110.03	20.28	16.13	-	36.41	73.62	55.44
	Vehicles	178.29	56.85	34.32	200.82	55.73	23.83	30.08	49.48	151.35	122.56
	Computers	43.83	12.47	-	56.30	22.17	9.72	-	31.89	24.41	21.66
	Total (A)	**68,809.55**	**70,169.98**	**34.32**	**1,38,945.21**	**24,792.24**	**7,117.89**	**30.08**	**31,880.05**	**1,07,065.17**	**44,017.31**
3.1	**Intangible asset**										
	Usage Rights	21.23	2,600.00	-	2,621.23	21.23	185.42	-	206.65	2,414.58	-
	Technical Know-How	-	802.50	-	802.50	-	51.17	-	51.17	751.32	-
	TOTAL (B)	**21.23**	**3,402.50**	**-**	**3,423.73**	**21.23**	**236.59**	**-**	**257.82**	**3,165.90**	**-**
	TOTAL (A+B)	**68,830.78**	**73,572.48**	**34.32**	**1,42,368.94**	**24,813.47**	**7,354.48**	**30.08**	**32,137.87**	**1,10,231.07**	**44,017.31**

Notes:

During the Current Year exchange gain of ₹ Nil (31 March 2020: exchange gain of Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹ 404.35 Lakhs (31st March 2020: ₹ 434.49 Lakhs), in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 Capital Work in Progress **(Rs. in Lakhs)**

Particulars	Amount
Cost	
As at 31st March 2020	69,115.68
Addition during the year	6,976.09
Capitalisation	(63,508.04)
As at 31st March 2021	**12,583.73**

i. Capital Work in Progress as at 31st March 2021 comprises expenditure for Epichlorhydrin , Chloro Polyvinly Chloride and Caustic Soda (including Captive Power Plant) which are in the course of construction.

ii. The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31 March 2021 was ₹ 823.38 Lakhs (31st March 2020: ₹ 2,657.81 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

iii. For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets as at 31st March 2020 **(Rs. in Lakhs)**

Sr. No.	Descriptions	Gross Block					Depreciation / Amortisation					Net Block	
		1st April, 2019	Additions	Deduction / Adjustments	Adjustment on Initial application of IND-AS-116	31st March, 2020	1st April, 2019	For the Year	Deduction / Adjustments	Adjustment on Initial application of IND-AS-116	31st March, 2020	31st March, 2020	31st March, 2019
3.1	**Tangible Assets**												
	Leasehold Land	1,189.21	-	-	(1,189.21)	-	52.28	-	-	(52.28)	-	-	1,136.93
	Right to use Amt - Lease Hold Land	-	-	-	1,136.93	1,136.93	-	13.07	-	-	13.07	1,123.86	-
	Building	10,134.19	1,930.25	-	-	12,064.44	1,852.19	462.09	-	-	2,314.28	9,750.16	8,282.00
	Building ROU Assets	-	500.61	-	-	500.61	-	82.28	-	-	82.29	418.32	-
	Plant & Machineries	26,675.66	15,598.38	-	-	42,274.04	16,006.31	3,127.50	-	-	19,133.81	23,140.23	10,669.35
	Captive Power Plant & Equipments	11,395.05	859.23	-	-	12,254.28	2,358.29	686.98	-	-	3,045.27	9,209.01	9,036.76
	Furnitures & Fixtures	270.58	10.83	-	-	281.41	82.09	23.25	-	-	105.34	176.07	188.49
	Office Equipment	26.42	49.30	-	-	75.72	14.54	5.74	-	-	20.28	55.44	11.88
	Vehicles	173.47	15.53	10.71	-	178.29	36.82	22.46	3.55	-	55.73	122.56	136.65
	Computers	24.94	18.89	-	-	43.83	15.35	6.83	-	-	22.17	21.66	9.59
	Total (A)	**49,889.52**	**18,983.02**	**10.71**	**(52.28)**	**68,809.55**	**20,417.87**	**4,430.20**	**3.55**	**(52.28)**	**24,792.24**	**44,017.31**	**29,471.65**
3.1	**Intangible asset**												
	Usage Rights	21.23	-	-	-	21.23	21.23	-	-	-	21.23	-	-
	TOTAL (B)	**21.23**	**-**	**-**	**-**	**21.23**	**21.23**	**-**	**-**	**-**	**21.23**	**-**	**-**
	TOTAL (A+B)	**49,910.75**	**18,983.02**	**10.71**	**(52.28)**	**68,830.78**	**20,439.10**	**4,430.20**	**3.55**	**(52.28)**	**24,813.47**	**44,017.31**	**29,471.65**

3.2 Capital Work in Progress **(Rs. in Lakhs)**

Particulars	Amount
Cost	
As at 31st March 2019	46,824.83
Addition during the year	40,678.72
Capitalisation	(18,387.87)
As at 31st March 2020	**69,115.68**

Capitalised Borrowing Costs

i. Capital Work in Progress as at 31st March 2020 comprises expenditure for Hydrogen Peroxide and Caustic Soda (including Captive Power Plants) which are in the course of construction.

ii. The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31 March 2020 was ₹ 2,657.81 Lakhs (31st March 2019: ₹ 711.83 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

iii. For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

4. INVESTMENT IN SUBSIDIARY

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment at Cost		
Investment in Equity Shares of Subsidiary		
50,000 (31st March 2020: NIL) Equity Shares of Meghmani Advanced Sciences Limited	5.00	-
Aggregate book value of Unquoted Investment	**5.00**	**-**

5. OTHER FINANCIAL ASSETS (NON CURRENT)

(Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020
Security Deposits	611.87	200.11
Bank deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	176.80	164.00
Mark to Market Derivative Assets	247.13	-
Total	**1,035.80**	**364.11**

Note: Margin Money Deposits amounting ₹ 176.80 Lakh (31 March 2020: ₹ 164.00 Lakh) are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 6.52% to 7.25%.

6. INCOME TAX ASSETS (NET) **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020
Advance payment of Income Tax (Net of Provision)	245.07	199.86
TOTAL	**245.07**	**199.86**

7. OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020
Unsecured, Considered Good		
Capital Advances	2,584.16	284.63
Balances with Government Authorities (Amount Paid Under Protest)	61.20	61.20
TOTAL	**2,645.36**	**345.83**

8. INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE) **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020*
Raw Materials (including in Transit of ₹ 126.03 Lakhs (31st March 2020: ₹ 228.76 Lakhs)	1,982.40	1,775.22
Finished Goods	907.80	752.07
Finished Goods In transit	6.51	14.46
Stock-in-Trade	8.89	36.15
Consumable Stores and Spares	2,413.75	2,232.33
Others (Packing Materials)	76.62	30.08
Total	**5,395.97**	**4,840.31**

9. TRADE RECEIVABLES **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020*
Trade receivables		
Secured, Considered Good	560.56	286.67
Unsecured, Considered Good	11,323.17	7,358.53
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	18.38	18.38
Total	**11,902.11**	**7,663.58**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(18.38)	(18.38)
Total	**11,883.73**	**7,645.20**

Notes:

- Trade Receivable are secured to the extend of deposit received from the Customers.
- Trade Receivables are non-interest bearing and generally have credit period of 30-90 days.
- For amount due and terms and conditions relating to related party, please refer note no 35
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
- For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no 41.

10. CASH AND CASH EQUIVALENTS **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020
Balance with Banks		
- On Current Accounts	25.66	8.20
- Deposits with original maturity of less than three months (refer note below)	0.10	-
- Cash on Hand	1.33	1.49
- Cheques on Hand	40.91	-
Total	**68.00**	**9.69**

Note: Deposits are made for varying periods of between 60 days to 90 days and earn interest rate around 5.10%.

11. LOANS **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020
Unsecured, Considered Good		
Loans to Employees (refer note below)	11.42	17.51
Total	**11.42**	**17.51**

Note:

- Loans to Employees are interest free and generally given for tenure of 6 to 12 months
- Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 via: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impaired is not applicable.

12. OTHER FINANCIAL ASSETS (CURRENT) **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020*
Unsecured, Considered Good		
Export Benefits Receivables	0.21	0.19
Balances with Government Authorities (refer note below)	33.12	87.30
Security Deposits	26.00	27.32
Interest Accrued on Deposits with original maturity of less than three months	0.90	0.93
Mark to Market Derivative Assets	123.57	-
Total	**183.80**	**115.74**

Note: Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

13. OTHER CURRENT ASSETS **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020*
Unsecured, Considered Good		
Prepaid Expenses	127.00	54.24
Export Benefits Receivables	64.47	45.13
Balances with Government Authorities (refer note below)	120.09	12.39
Advance to Employees	0.97	2.18
Advances to Suppliers	273.73	465.88
Total	**586.26**	**579.81**

Note: Balance with Government Authorities include VAT / Cenvat / Goods and Service Tax credit Receivable.

14. SHARE CAPITAL **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020*
Authorised Share Capital		
Equity Shares of ₹ 10 each		
12,05,00,000 Equity Shares (31st March 2020: 12,05,00,000) each Share of ₹ 10/-	12,050.00	9,500.00
Increase in Authorised Share Capital Pursuant to Scheme of Arrangement.(refer note 42)	-	2,550.00
12,05,00,000 Equity Shares (31st March 2020: 12,05,00,000) each Share of ₹ 10/-	**12,050.00**	**12,050.00**
Preference Shares of ₹ 100 each		
20,00,000 Preference Shares (31st March 2020: 20,00,000) each Share of ₹ 100 /-	2,000.00	2,000.00
Preference Shares of ₹ 10 each		
432,628,796 Preference Shares (31st March 2020: 432,628,796) each Share of ₹ 10 /-	43,262.88	43,262.88
Total Authorised Capital	**57,312.88**	**57,312.88**

Note: The Authorised Share Capital has increased pursuant to Scheme of Arrangement, The Company has filed Form INC 28 on 10th May 2021 for change in Authorised Share Capital with Ministry of Corporate Affairs and the same is under approval.

(Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020*
ISSUED, SUBSCRIBED & PAID UP		
Equity Share Capital*		
4,15,52,665 Equity Shares (31st March 2020: 4,15,52,665) each of ₹ 10 /- Fully Paid Up	4,155.27	4,155.27
Total	**4,155.27**	**4,155.27**
Instrument entirely Equity in Nature (Preference Share Capital)		
21,09,19,871 8% Optionally Convertible Redeemable Preference Share (OCRPS) (31st March 2020: 21,09,19,871) each of ₹ 10 /- Fully Paid Up	21,091.99	21,091.99
Total	**21,091.99**	**21,091.99**

(Rs. in Lakhs)

Particulars	No. of shares	Amount
Equity Share Capital		
As at 1st April 2019	**4,11,93,114**	**4,119.31**
Shares to be cancelled pursuant to Scheme of Arrangement (refer note 42)	(2,35,45,985)	(2,354.60)
Shares to be issued pursuant to Scheme of Arrangement (refer note 42)	2,39,05,536	2,390.55
As at 31st March 2020	**4,15,52,665**	**4,155.27**
Increase during the year	-	-
As at 31st March 2021	**4,15,52,665**	**4,155.27**
Instrument entirely Equity in Nature (Optionally Convertible Redeemable Preference Share Capital)		
As at 1st April 2019	**21,09,19,871**	**21,091.99**
As at 31st March 2020	**21,09,19,871**	**21,091.99**
As at 31st March 2021	**21,09,19,871**	**21,091.99**

Equity Share:

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

Optionally Convertible Redeemable Preference Share ('OCRPS'):

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

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

Conversion of Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS):

As per the Order, OCRPS issued by the Company is transferred to Meghmani Organochem Limited as per the Scheme. Further, the OCRPS will be converted into equal number of RPS with same terms and conditions and tenure from the effective date i.e. May 3, 2021 i.e. the date of the Order. Accordingly, OCRPS is classified as equity instrument under total equity for the year ended March 31, 2021 and the same will be classified and accounted for as debt instrument from the effective date.

Shares held by the Holding Company:

The share held by erstwhile Holding Company Meghmani Organics Limited (MOL) consisting of 2,35,45,985 equity shares have been cancelled pursuant to Scheme of Arrangement. Further as per the Scheme, the Company is in process of issuing equity shares to Shareholders of MOL and accordingly, disclosure pertaining to shares held by the Holding Company is not made. Refer note 42 for further details.

*Restated pursuant to Scheme of Arrangement (refer note 42)

Details of Shareholding (more than 5% Equity Shares)#

Particulars	31st March 2021	31st March 2020
Number of Shares held by		
(a) Natwarlal Patel	22,27,305	22,27,305
% of Share held	5.41%	5.41%
(b) Ashish Soparkar	21,98,563	21,98,563
% of Share held	5.34%	5.34%
Optionally Convertible Redeemable Preference Share (OCRPS)		
(a) Meghmani Organics Limited ('MOL')	21,09,19,871	21,09,19,871
% of Share held	100.00%	100%

Notes:

- #Details of Share Holding (more than 5% Equity Share): Does not include shares held by MOL which has been cancelled pursuant to Scheme of Arrangement. Refer note 42 for further details.
- As per records of the Company, including its register of shareholder / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares. Further the same is subject to shares to be issued pursuant to Scheme of Arrangement.
- No dividend has been proposed / declared on Equity and OCRPS during the year. During the year ended 31 March, 2020 dividend of 8% was declared and paid on OCRPS

15. Other Equity **(Rs. In Lakhs)**

Particulars	31st March 2021	31st March 2020*
Capital Reserve		
Balance as at the beginning of the Year	(24,668.28)	(24,668.28)
Balance as at the end of the Year	**(24,668.28)**	**(24,668.28)**
Retained Earnings		
Balance as at the beginning of the Year	57,768.08	48,629.57
Profit for the Year	10,083.90	11,199.77
Other Comprehensive Income for the Year	(17.57)	(27.06)
Less: Dividend Paid	-	(1,687.36)
Less: Tax on Dividend Paid	-	(346.84)
Balance as at the end of the Year	**67,834.41**	**57,768.08**
TOTAL	**43,166.13**	**33,099.80**

Nature and purpose of Reserves:

Capital Reserve:

The balance in Capital Reserve represents difference between consideration paid and net asset acquired under common control business combination transactions.

*Restated pursuant to Scheme of Arrangement (refer note 42)

16. BORROWINGS **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020
Term Loan Facilities from Banks (refer note below):		
Indian Rupee loan (Secured) (refer note below)	25,814.74	29,909.65
From Financial Institutions		
Foreign currency loan (Secured) (refer note below)	8,232.00	11,918.88
Total Non-Current Borrowing	**34,046.74**	**41,828.53**
[refer note 21 for Current Maturities of Term Loan from Banks and Financial Institutions ₹ 12,280.91 Lakh (31st March 2020 : ₹ 8,820.07 Lakh)]		
The above amounts includes:		
Secured borrowing	34,046.74	41,828.53
Unsecured borrowing	-	-

Refer Note No - 41 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms:

(i) The Company has taken External Commercial Borrowing of Euro 180.00 lakhs equivalent to ₹ 14,400.00 lakhs from Standard Chartered Bank to finance its capital expenditure plans. Outstanding balance for this borrowing is Euro 144.00 lakhs equivalent to ₹ 12,348.00 lakhs (31st Mach 2020: ₹14,898.60 lakhs). The borrowing is secured by first pari passu mortgage charge on all immovable properties, first pari passu hypothecation charge over all the moveable assets. The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests. The Company has entered into Interest Rate Swap ('IRS') agreement with the bank for a fixed interest @ 1.85% p.a. and hedging of the foreign exchange rate whereby the Company will pay additional interest @ 4.95% p.a. The effective interest rate after considering basic interest rate and interest for hedging is 6.80%. The borrowing is repayable in 15 quarterly instalments of Euro 12 Lakhs each, starting from July 3, 2020.

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

1) Term loan amounting ₹ 11,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloromethane Plant. Outstanding balance for this facility is ₹ 6,050 lakhs (31st March 2020: ₹ 8,250 lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus spread (to be set every year) payable on monthly rest. The interest rate for the current year remained @ 7.65%. (31st March 2020: 8.70%). The Term Loan is repayable in 20 quarterly instalments of ₹ 550.00 Lakhs each and repayment started from 9th March 2019.

2) Term loan amounting ₹ 15,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Caustic Soda Lye Plant with new 36 MW Power Plant. Outstanding balance for this facility is ₹ 13,333 Lakhs (31st March 2020: ₹ 15,000 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate is 7.25%. (31st March 2020: 8.15%) The term loan is repayable in 18 quarterly instalments of ₹ 833.33 Lakhs each starting from 1st November, 2020.

3) Term loan amounting ₹ 12,500 lakhs from Federal Bank Limited for capital expenditure toward setting up of new Hydrogen Peroxide Plant. Outstanding balance for this facility is ₹ 10,526 Lakhs (31st March 2020: ₹12,500 Lakhs). The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate is 6.64%(31st March 2020: 6.64%). The Term Loan is repayable in 19 quarterly instalments of ₹ 657.89 lakhs each starting from 29th September, 2020

4) Term loan amounting ₹ 19,000 lakhs from State Bank of India for capital expenditure toward setting up of new Epichlorohydrin Plant. The Company has drawn down ₹ 4,070 Lakhs as at the Balance Sheet date (31st March 2020: ₹ NIL) . The borrowing carries interest at 6 month MCLR (Benchmark rate) plus spread of 0.10% (to be reset every half year) payable on monthly rest. The effective interest rate is 7.05%(31st March 2020 : Nil). The Term Loan is repayable in 20 quarterly instalments of ₹ 950.00 lakhs each starting from 31st December. 2022.

5) The Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of the Company, first pari passu hypothecation charge over all the movable assets of the Company

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

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

17. OTHER NON CURRENT FINANCIAL LIABILITIES **(Rs. in Lakhs)**

Particulars	31st March 2021	31st March 2020
Mark to market Derivative Liabilities (on Interest Rate Swap and Cross Currency Swap valued at Fair Value Through Profit and Loss)		157.80
Lease Liabilities (refer note 39)	**306.00**	**375.55**
Total	**306.00**	**533.35**

*Restated pursuant to Scheme of Arrangement (refer note 42)

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18. LONG TERM PROVISIONS (Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020
Provision for Employee Benefits		
Gratuity (refer note 34)	103.81	102.32
Compensated Absences	59.04	52.98
Total	**162.85**	**155.30**

19. BORROWINGS (Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / Overdraft / WCDL Facility from Banks (refer note below)	7,503.49	1,971.99
Total	**7,503.49**	**1,971.99**

Notes:

- The Company has availed Working Capital Facility of ₹ 18,000 Lakhs (31st March 2020: ₹ 13,350 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited ₹ 11,000 Lakhs, Standard Chartered Bank ₹ 3,000 Lakhs and HDFC Bank Ltd. ₹ 4,000 Lakhs.

  The Company is in process of filing requisite forms with Ministry of Corporate Affairs for creating of first pari passu hypothecation charge over all the Current Assets from additional facilities sanctioned during the year.
- Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day.

  Interest rate for the year ranges between 7.25% - 8.70% (31st March 2020: 8.35% - 9.05%).
- Rate of interest stipulated by Standard Chartered Bank is monthly MCLR . Interest rate for the year ranges between 6.60% - 8.85% (31st March 2020: 8.85%- 9.45%).
- Rate of interest stipulated by HDFC Bank Limited is as per prevailing 1 year MCLR + applicable margin. Interest rate for this ranges between @ 7.20% - 8.00% (31st March 2020: 8.35% to 9.05%).
- Bank loans availed by the Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Company has complied with the covenants as per the terms of the loan agreements.

20. TRADE PAYABLE (Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020*
Outstanding dues of Micro and Small Enterprise (refer note 38)	248.01	724.88
Outstanding dues of Creditors other than Micro and Small Enterprise	7,056.92	3,954.36
Total	**7,304.93**	**4,679.24**

Terms and conditions of the above outstanding dues :

- Trade Payables are non-interest bearing and are normally settled on 90-360 days terms.
- For amounts due to related parties and terms and conditions with Related Parties, refer note 35.
- For Company's Credit Risk management processes refer note 41

21. OTHER CURRENT FINANCIAL LIABILITIES (Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020*
Financial Liabilities carried at Amortised Cost		
Current Maturities of Long-Term Debt (refer note 16)	12,280.91	8,820.07
Interest Accrued but not due on Borrowing	332.10	405.50
Capital Creditors	4,148.40	5,330.34
Security Deposits Payable	950.00	555.00
Lease Liability (refer note 39)	69.55	63.90
Employee Benefits Payable	1,581.59	1,150.94
Book Overdraft	48.33	-
Payable for investment in subsidiary	5.00	-
Expenses Payable	3,895.97	3,142.44
Total	**23,311.85**	**19,468.19**

22. OTHER CURRENT LIABILITIES (Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020*
Advances from Customers	85.51	30.22
Statutory Dues Payables	640.26	314.15
Total	**725.77**	**344.37**

23. SHORT TERM PROVISIONS (Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020
Provision for Employee Benefits		
Compensated Absences	10.04	8.53
Total	**10.04**	**8.53**

24. CURRENT TAX LIABILITIES (NET) (Rs. in Lakhs)

Particulars	31st March 2021	31st March 2020
Current Tax Payable (net)	9.62	9.62
Total	**9.62**	**9.62**

25. REVENUE FROM OPERATIONS (Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Sales of Products		
Sale of products	82,493.37	60,993.17
Sale of By-product	100.36	24.04
Sales of Products	**82,593.73**	**61,017.21**
Other Operating Revenue		
Export Benefits and Other Incentives	9.74	29.44
Scrap Sales	256.56	3.98
Total Other Operating Revenue	**266.30**	**33.42**
Total	**82,860.03**	**61,050.63**

25.1 DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Type of Goods or Service		
Chlor Alklai & its Derivatives	82,464.66	60,944.60
Sales of Stock in Trade	129.07	72.61
Total Revenue from contracts with Customers	**82,593.73**	**61,017.21**
Geographical location of Customer		
India	82,017.51	60,401.09
Outside India	576.22	616.12
Total Revenue from contracts with Customers	**82,593.73**	**61,017.21**
Timing of Revenue Recognition		
Goods transferred at a point in time	82,593.73	61,017.21
Total Revenue from Contracts with Customers	**82,593.73**	**61,017.21**

25.2 CONTRACT BALANCE

The Company has recognised the following revenue-related contract asset and liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020*
Trade Receivables	11,883.73	7,645.20
Advance from Customers	85.51	30.22

Notes:

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

25.3 RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Revenue as per contracted price	86,356.00	63,985.98
Adjustments		
Sale Returns	(40.87)	(39.62)
Trade Discount & Quantity Rebate	(2,446.38)	(2,348.80)
Cash Discount	(335.56)	(93.90)
Sales Commission	(939.47)	(486.46)
Revenue from contract with Customers	**82,593.73**	**61,017.21**

*Restated pursuant to Scheme of Arrangement (refer note 42)

25.4. Performance obligation

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

25.5. Information about major customers

No single Customer represents 10% or more of the Company's total Revenue during the year ended 31st March 2021 and 31st March 2020

26. OTHER INCOME (Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Interest Income on		
- Bank Deposit	13.76	11.40
- Other	1.04	2.47
Net gain on Sale of Mutual Funds	-	38.99
Net gain on Foreign Currency Transactions and Translations (net)	38.36	15.53
Profit On Sale of Property, Plant and Equipment	0.28	-
Cess Input Tax Credit Reduction on Fuel Consumption	-	118.29
Miscellaneous Income	58.53	0.75
Insurance Claims	106.58	5.42
Sundry Balance Written back	0.35	38.29
Total	**218.90**	**231.15**

27. COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Chlor Alkali & its Derivatives	38,609.98	27,865.54
Total	**38,609.98**	**27,865.54**

Note: The above amount comprises of raw material consumption generated from the accounting system and related adjustments there to.

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Inventories at the beginning of the Year		
(i) Finished Goods	766.53	364.00
(ii) Stock in Trade	36.15	9.60
Total (A)	**802.68**	**373.60**
Inventories at the end of the Year		
(i) Finished Goods	914.31	766.53
(ii) Stock in Trade	8.89	36.15
Total (B)	**923.20**	**802.68**
Changes in Inventories (A-B)	**(120.48)**	**(429.08)**

*Restated pursuant to Scheme of Arrangement (refer note 42)

29. EMPLOYEE BENEFIT EXPENSE

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Salaries and Wages	3,584.58	2,869.27
Director Remuneration	1,235.00	1,130.00
Contribution to Provident and Other Funds (refer note 34)	209.79	179.87
Staff Welfare Expenses	331.57	222.70
Total	**5,360.94**	**4,401.84**

30. FINANCE COST

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Interest Expense on :		
- Term Loan	2,665.15	604.09
- Cash Credit and Working Capital Demand Loan	310.88	31.02
-Lease Liability (refer note 39)	34.90	36.56
- Others	79.18	108.52
Loss/(Gain) on Derivative Instruments	(528.50)	(623.51)
Exchange Loss/(Gain) on restatement of External Commercial Borrowing (ECB)	329.40	917.55
Other Borrowing Costs (includes Bank Charges, etc.)	20.36	40.12
Total	**2,911.37**	**1,114.35**

31. OTHER EXPENSES

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Consumption of Stores and Spares	1,426.66	1,355.68
Consumption of Packing Materials	1,291.42	349.70
Repairs and Maintenance:		
- Buildings	117.12	116.13
- Plant and Machinery	479.70	438.90
Rent (refer note 39)	2.99	3.88
Rates and Taxes	62.78	175.17
Insurance	366.83	180.28
Power and Fuel	441.85	1,125.90
Electricity Duty on Power Generation	2,350.93	1,900.64
Renewal Purchase Obligation	845.70	559.08
Contract Labour Charges	1,043.55	755.45
Selling and Promotion Expenses	449.76	468.37
Loss on Sale of Property, Plant and Equipment	-	4.55
Water Charges	2,167.28	1,021.52
Expenditure towards Corporate Social Responsibility (refer not i below)	966.93	103.51
Payments to the Auditors (refer note ii below)	17.87	17.89
Miscellaneous Expenses	803.40	1,151.62
Total	**12,834.77**	**9,728.27**

*Restated pursuant to Scheme of Arrangement (refer note 42)

Notes:

(i) Corporate Social Responsibility Expenditure - spent during the year is ₹ 966.93 Lakh (31st March 2020 - ₹103.51 Lakh)

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount required to be spent during the Year	383.37	337.18
Amount of opening unspent CSR expenses spent during the year pursuant to representation made by the Company with ROC & NCLT	579.29	-
Amount Spend during the year in Cash	966.93	103.51
i. Construction / Acquisition of an Assets	-	-
ii. On purpose other than (i) above	966.93	103.51
Details related to spent/unspent obligation		
i) Contribution to public trust	-	-
ii) Contribution to charitable trust	966.93	103.51
iii) Unspent amount	-	-

(ii) Payments to Auditors (Excluding Taxes)

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Statutory Audit Fees	17.35	17.35
(b) Reimbursement of Expenses	0.52	0.54
Total	**17.87**	**17.89**

32. DISCLOSURE OF EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year, including effect of shares to be issued pursuant to Scheme of Arrangement.

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

The following reflects the income and share used in the basic and diluted EPS computation:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit attributable to Shareholders (Figure in ₹)	10,083.90	11,199.77
Total number of Equity Shares at the end of the Year (Nos)	4,15,52,665	4,15,52,665
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	4,15,52,665	4,15,52,665
- For diluted EPS calculation	5,84,26,255	5,84,26,255
Nominal value per Equity Share (₹)	10	10
Basic Earnings Per Share (₹)	24.27	26.95
Diluted Earnings Per Share (₹)	17.26	19.17
Weighted Average number of Equity Shares		
Weighted Average number of Equity Shares for basic EPS	4,15,52,665	4,15,52,665
Effect of dilution:		
Optionally Convertible Redeemable Preference Shares (OCRPS)	1,68,73,590	1,68,73,590
Weighted average number of Equity Shares adjusted for the effect of dilution	5,84,26,255	5,84,26,255

*Restated pursuant to Scheme of Arrangement (refer note 42)

33. TAX EXPENSE

e. Amounts recognised in Profit and Loss

(Rs. in Lakhs)

Particulars	For the Ended March 31, 2021	For the Ended March 31, 2020*
Current Income Tax	2,816.76	2,534.16
Deferred Tax Expenses	3,185.10	365.35
Tax Expense for the Year	**6,001.86**	**2,899.51**

f. Amounts recognised in Other Comprehensive Income

(Rs. in Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Before Tax	Tax (expense) benefit	Net of Tax	Before Tax	Tax (expense) / benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	(27.00)	9.43	(17.57)	(41.59)	14.53	(27.06)
Total	**(27.00)**	**9.43**	**(17.57)**	**(41.59)**	**14.53**	**(27.06)**

g. Reconciliation of Effective Tax Rate

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Profit Before Tax	**16,085.76**	**14,099.28**
Tax using the Company's domestic tax rate	5,621.01	4,926.85
(Current Year 34.944% and 31st March 2020 34.944%)		
Non Deductible Tax Expenses		
Corporate Social Responsibility Exp	337.95	-
Others	6.73	11.37
Others		
Profit deductible u/s 80 IA	-	(2,094.03)
Tax Charged at different tax rate	-	(6.81)
Tax impact on increase in profit due to accounting of business acquisition under common control as per Ind AS 103(refer note 42)	-	(9.00)
Donation Deductible u/s 80 G	-	18.09
Others	36.15	53.04
Total	**6,001.87**	**2,899.51**
Effective Tax Rate	**37.31%**	**20.56%**

***Restated pursuant to Scheme of Arrangement (refer note 42)**

h. Movement in Deferred Tax balances for the year ended 31st March 2021

(Rs. in Lakhs)

Particulars	Net balance 1st April 2020	Recog-nised in Profit or Loss	Recog-nised in OCI	Other	March 31, 2021		
					Net	Deferred Tax Asset	Deferred tax liability
Property, Plant and Equipment	(4,029.19)	(8,680.42)	-	-	(12,709.61)	-	(12,709.61)
Gain on derivative - Mark to market	129.64	30.16	-	-	159.80	159.80	-
Employee Benefits	57.25	(6.27)	9.43	-	60.41	60.41	-
Lease Liabilities	7.38	(0.95)	-	-	6.43	6.43	-
Carried Forward Loss	-	2,798.58	-	-	2,798.58	2,798.58	-
Tax Credit (MAT)	3,571.85	2,816.76	-	-	6,388.61	6,388.61	-
Others	358.20	(142.95)	-	-	215.25	215.25	-
Tax Assets/ (Liabilities)	**95.13**	**(3,185.09)**	**9.43**	**-**	**(3,080.53)**	**9,629.08**	**(12,709.61)**
Set off Tax							9,629.08
Net Tax Assets / Liabilities							**(3,080.53)**

Movement in Deferred Tax balances for the year ended 31st March 2020

(Rs. in Lakhs)

Particulars	Net balance 1st April 2019	Recog-nised in Profit or Loss	Recog-nised in OCI	Other	March 31, 2020		
					Net	Deferred Tax Asset	Deferred tax liability
Property, Plant and Equipment	(2,233.61)	(1,795.58)	-	-	(4,029.19)	-	(4,029.19)
Gain on derivative - Mark to market	126.62	3.02	-	-	129.64	129.64	-
Employee Benefits	78.83	(36.11)	14.53	-	57.25	57.25	-
Lease Liabilities	-	7.38	-	-	7.38	7.38	-
Tax Credit (MAT)	1,879.84	1,274.12	-	417.88	3,571.85	3,571.85	-
Others	176.38	181.82	-	-	358.20	358.20	-
Tax Assets/ (Liabilities)	**28.06**	**(365.35)**	**14.53**	**417.88**	**95.13**	**4,124.32**	**(4,029.19)**
Set off Tax							4,124.32
Net Tax Assets / Liabilities							**95.13**

*Restated pursuant to Scheme of Arrangement (refer note 42)

34. GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

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

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance of Defined Benefit Obligation	**332.34**	**219.50**
Service Cost		
a. Current Service Cost	76.37	63.82
Interest Cost	20.27	15.36
Benefits Paid	(10.58)	(4.39)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	9.25	19.53
b. Actuarial Loss/(Gain) from experience over the past period	14.06	18.52
c. Actuarial (Loss)/Gain from change in demographic assumptions	-	-
Closing balance of the Defined Benefit Obligation	**441.71**	**332.34**

Table 2: Reconciliation of Fair Value of Plan Assets

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance of Fair Value of Plan Assets	**230.02**	**151.86**
Contributions by Employer	105.16	73.05
Benefits Paid	(10.58)	(4.39)
Interest Income on Plan Assets	16.99	13.04
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(3.69)	(3.54)
Closing balance of Fair Value of Plan Assets	**337.90**	**230.02**
Actual Return on Plan Assets	13.30	9.50
Expected Employer Contributions for the coming period	100.00	100

Table 3: Expenses Recognised in the Profit and Loss Account

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Service Cost		
a. Current Service Cost	76.37	63.82
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	3.28	2.32
Employer Expenses	**79.65**	**66.14**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Present Value of DBO	**441.71**	**332.34**
Fair Value of Plan Assets	337.90	230.02
Liability/ (Asset) recognised in the Balance Sheet	**103.81**	**102.32**
Funded Status [Surplus/(Deficit)]	**(103.81)**	**(102.32)**
Of Which, Short term Liability	**-**	**-**
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**14.06**	**18.52**
Experience Adjustment on Plan Assets: Gain/(Loss)	**(3.69)**	**(3.54)**

Table 5: Percentage Break-down of Total Plan Assets

Particulars	March 31, 2021	March 31, 2020
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	*100%*	*100%*
Total	**100%**	**100%**

*Restated pursuant to Scheme of Arrangement (refer note 42)

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

Continue...

Table 6: Actuarial Assumptions

Particulars	March 31, 2021	March 31, 2020
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	5.8% p.a.	6.1% p.a.
Withdrawal Rate	12% p.a.	12% p.a.
Up to age 35 years:		12% p.a.
Above age 35 years:		12% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	6.1% p.a.	7% p.a.
Expected weighted average remaining working life	5 years	5 years

Table 7: Movement in Other Comprehensive Income

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening Balance (Loss)/Gain	**(117.21)**	**(75.62)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	(9.25)	(19.53)
b. Actuarial (Loss)/Gain from experience over the past period	(14.06)	(18.52)
c. Actuarial (Loss)/Gain from change in demographic assumptions	-	-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(3.69)	(3.54)
Remeasurement (Loss) on Defined Benefit Plans	**(27.00)**	**(41.59)**
Closing Balance (Loss)/Gain	**(144.21)**	**(117.21)**

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2021	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 31.92 Lakh	DBO decreases by Rs 28.71 Lakh
Discount Rate	DBO decreases by Rs 29.53 Lakh	DBO increases by Rs 33.60 Lakh
Withdrawal Rate	DBO decreases by Rs 8.44 Lakh	DBO increases by Rs 9.29 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.20 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.41 Lakh	

Financial Year ended 31st March 2021	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 24.35 Lakh	DBO decreases by Rs 21.91 Lakh
Discount Rate	DBO decreases by Rs 22.48 Lakh	DBO increases by Rs 25.56 Lakh
Withdrawal Rate	DBO decreases by Rs 6.25 Lakh	DBO increases by Rs 6.86 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.15 Lakh	

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

Table 9: Movement in Surplus/ (Deficit)

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Surplus/ (Deficit) at start of period	**(102.32)**	**(67.64)**
Current Service Cost	(76.37)	(63.82)
Past Service Cost	-	
Net Interest on net DBO	(3.28)	(2.32)
Actuarial gain/ (loss)	(27.00)	(41.59)
Contributions	105.16	73.05
Surplus/ (Deficit) at end of period	**(103.81)**	**(102.32)**

(b) Defined Contribution Plans

The Company makes Provident Fund contributions to Defined Contribution Plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised Provident Fund contribution of ₹129.97 Lakhs (31st March 2020: ₹ 113.74 Lakhs) as expense in Note 29 under the head 'Contributions to Provident and Other Funds'.

35. RELATED PARTIES DISCLOSURES

Wholly Owned Subsidiary Company	Meghmani Advanced Sciences Limited (MASL)
Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence:	Meghmani Organochem Limited (MOL) Meghmani Dyes & Intermediates LLP (MDI) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Trent Chemical Industries (Trent Chemicals) Arjan Owners LLP (Arjan)(Formerly Panchratna Corporation) Meghmani Novotech Pvt Ltd (Meghmani Novotech) Meghmani LLP (formerly Meghmani Unichem LLP) (MLLP)
Key Managerial Personnel	Mr. Maulik Patel (Chairman and Managing Director) Mr. Kaushal Soparkar (Managing Director) Mr. Ankit Patel (Executive Director) Mr. Karana Patel, Executive Director) Mr. Darshan Patel (Executive Director) Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
Relatives of Key Managerial Personnel	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
Non-Executive Directors	Mr.Manubhai Patel Mr.Balkrishna Thakkar Ms.Nirali Parikh

Transactions with Related Parties

(Rs. in Lakhs)

Particulars	Subsidiary		Enterprises in which Key Managerial Personnel [KMP] & its Relatives have significant influence		Key Managerial Personnel and its Relatives		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in MASL	5.00	-	-	-	-	-	5.00	-
Sale of Goods to MOL			6,265.17	4,705.77	-	-	6,265.17	4,705.77
Sale of Goods to MDIL			551.33	865.59	-	-	551.33	865.59
Sale of Goods to MIL			829.19	768.25	-	-	829.19	768.25
Sale of Goods to MP			104.51	182.23	-	-	104.51	182.23
Sale of Goods to MLLP			2,331.23	2,528.03	-	-	2,331.23	2,528.03
Sale of Goods to Trent Chemicals			793.10	1,291.06	-	-	793.10	1,291.06
Sale of Goods to Meghmani Novotech			8.23	-	-	-	8.23	-
Availing of Services (Rent) Arjan			123.11	104.41	-	-	123.11	104.41
Purchase of Services from MOL			13.82	-	-	-	13.82	-
Purchase of MEIS Licence from MOL			352.49	363.05	-	-	352.49	363.05
Sitting fees			-	-	5.50	7.50	5.50	7.50
Maulik Patel-Remuneration			-	-	305.78	278.11	305.78	278.11
Kaushal Soparkar-Remuneration			-	-	305.78	278.11	305.78	278.11
Ankit Patel-Remuneration			-	-	305.49	277.82	305.49	277.82
Karana Patel-Remuneration			-	-	195.49	182.82	195.49	182.82
Darshan Patel-Remuneration			-	-	140.49	135.32	140.49	135.32
Sanjay Jain - Remuneration			-	-	40.63	40.21	40.63	40.21
Dividend Paid on OCRPS			-	1,687.36	-	-	-	1,687.36
Sanjay Jain -Repayment of Loan			-	-	-	6.00	-	6.00

*Restated pursuant to Scheme of Arrangement (refer note 42)

Outstanding Balances with Related Parties

(Rs. in Lakhs)

Particulars	Subsidiary		Enterprises in which Key Managerial Personnel [KMP] & its Relatives have significant influence		Key Managerial Personnel and its Relatives		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Receivable from MOL	-	-	1,644.24	695.27	-	-	1,644.24	695.27
Receivables from MDI	-	-	102.47	161.78	-	-	102.47	161.78
Receivables from MIL	-	-	202.34	170.85	-	-	202.34	170.85
Receivables from MP	-	-	12.94	49.50	-	-	12.94	49.50
Receivables from MLLP	-	-	519.11	268.86	-	-	519.11	268.86
Receivables from Trent Chemical	-	–	159.91	248.31	-	-	159.91	248.31
Receivables from Meghmani Novotech	-	-	5.06	-	-	-	5.06	-
Payable to MASL	5.00	-	-	-	-	-	5.00	-
Payable to MOL	-	-	13.82		-	-	13.82	-
Payable for MEIS License	-	-	29.12		-	-	29.12	-
Payable to Arjan	-	-	-	9.27	-	-	-	9.27
Remuneration Payable to Maulik Patel	-	-	-	-	275.04	238.90	275.04	238.90
Remuneration Payable to Kaushal Soparkar	-	-	-	-	275.04	238.90	275.04	238.90
Remuneration Payable to Ankit Patel	-	-	-	-	275.15	238.90	275.15	238.90
Remuneration Payable to Karna Patel	-	-	-	-	166.98	143.90	166.98	143.90
Remuneration Payable to Darshan Patel	-	-	-	-	111.98	96.40	111.98	96.40
Remuneration Payable to Sanjay Jain	-	-	-	-	2.31	1.52	2.31	1.52
Sanjay Jain -Loan Receivable	-	-	-	-	-	1.00	-	1.00

*Restated pursuant to Scheme of Arrangement (refer note 42)

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

(ii) The Company's transactions with Related Parties are at arm's length. Management believes that the Company's domestic transactions with related parties post 31st March 2021 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

36. SEGMENT REPORTING

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

Analysis By Geographical Segment

Segment Revenue is analyzed based on the location of Customers regardless of where the goods are produced. The following provides an analysis of the Sales by Geographical Markets.

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Revenue :		
Within India	82,017.51	60,401.09
Outside India	576.22	616.12
Total Revenue from Contracts with Customers	**82,593.73**	**61,017.21**

The following is analysis of the carrying amount of Non-Current Assets, which do not include Deferred Tax Assets, Tax Assets, Investment in Subsidiary and Financial Assets analysed by the geographical area in which the assets are located:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020*
Carrying amount of Segment Assets		
Within India	1,25,460.17	1,13,478.82
Outside India	-	-

37. CONTINGENT LIABILITIES & COMMITMENTS

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

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Disputed Service Tax Liability	108.37	108.37
Disputed Custom Duty Liability	621.83	621.83
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Company has assessed that it is only possible but not probable, the outflow of economic resources will be required)	-	-
In respect of Letter of Credit	565.12	84.74

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of ₹ 36,282.83 Lakhs (31st March 2020 ₹ 3,654.86 Lakhs) and not provided for (Net of Advances).

C. Other Commitment

The Company has imported capital good for the various expansion projects under the EPCG Scheme at nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 3,070.20 lakhs (31st March 2020: ₹ 4,622.47 lakhs) which is equivalent to 6 times of duty saved of ₹ 696.28 lakhs (31st March 2020: ₹ 736.05 lakhs). The export obligation has to be completed by 2024-25.

*Restated pursuant to Scheme of Arrangement (refer note 42)

38. DISCLOSURES AS PER MSMED ACT, 2006

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

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at 31st March, 2021 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any,that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance-Sheet date.

The details as required by MSMED Act are given below:

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
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 and Interest		
Trade Payables	248.01	724.88
Capital Payables	576.80	625.24
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;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	19.26	-
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.	-	-

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

39. LEASES

The Company has lease contracts for office premise. Leases of office premise is having lease terms of 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain premises in good state. The lease contract include extension and termination options. The Company also has a Sales Office with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for this lease.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

A. Leases as lessee

(i) The movement in Lease liabilities during the Year

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**439.45**	**-**
Balance on adoption of Ind AS 116 - Leases	-	500.61
Additions during the Year	-	-
Finance costs incurred during the Year	34.90	36.56
Payments of Lease Liabilities	(98.80)	(97.73)
Balance at the end of the Year	**375.55**	**439.45**

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**1,542.17**	**-**
Balance on adoption of Ind AS 116 - Leases	-	500.61
Re-Classification on account of adoption of Ind AS 116	-	1,136.93
Additions during the Year	-	-
Depreciation charged during the Year	(95.36)	(95.36)
Balance as at 31st March, 2021	**1,446.82**	**1,542.17**

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expense of Right-of-Use assets	95.35	95.36
Interest expense on lease liabilities	34.90	36.56
Expense relating to short-term leases (included in other expenses)	2.99	3.88
Total Expenses	**133.25**	**135.80**

(iv) Amounts recognised in Statement of Cash Flows

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Cash outflow for Leases	(98.80)	(97.73)

(v) Maturity analysis of Lease Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	98.80	98.80
One to five years	349.09	438.42
More than five years	-	9.47
Total undiscounted Lease Liability	**447.89**	**546.69**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current Lease Liability	306.00	375.55
Current Lease Liability	69.55	63.90
Total Lease Liability	**375.55**	**439.45**

40. Capital Management

Capital includes Equity and OCRPS attributable to the Equity and OCRPS holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Company may adjust the dividend payment to Shareholders, return on capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2021 and 31 March 2020.

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

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020*
Total Interest bearing liabilities	53,831.14	52,620.59
Less : Cash and Cash Equivalent	68.00	9.69
Adjusted Net Debt	**53,763.14**	**52,610.90**
Total Equity	68,413.39	58,347.06
Adjusted Equity	**68,413.39**	**58,347.06**
Adjusted Net Debt to Adjusted Equity ratio	0.79	0.90

*Restated pursuant to Scheme of Arrangement (refer note 42)

41. Financial Instruments – Fair Values and Risk Management

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

A. Category-wise classification of Financial Instrument

The carrying value of Financial Instruments by categories as of 31st March, 2021 and 31st March, 2020 is as follows:

(Rs. in Lakhs)

March 31, 2021	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	247.13	-	788.67	1,035.80
Trade Receivables (refer note 9)	-	-	11,883.73	11,883.73
Cash and Cash Equivalents (refer note 10)	-	-	68.00	68.00
Loans (refer note 11)	-	-	11.42	11.42
Other Current Financial Assets (refer note 12)	123.57	-	60.23	183.80
Total Financial Assets	**370.70**	**-**	**12,812.05**	**13,182.75**
Financial Liabilities				
Non-Current Borrowings (refer note 16)	-	-	34,046.74	34,046.74
Other Non-Current Financial Liablities (refer note 17)	-	-	306.00	306.00
Current Borrowings (refer note 19)	-	-	7,503.49	7,503.49
Trade Payable (refer note 20)	-	-	7,304.93	7,304.93
Other Current-Financials Liabilities (refer note 21)	-	-	23,311.85	23,311.85
Total Financial Liabilities	**-**	**-**	**72,473.01**	**72,473.01**

(Rs. in Lakhs)

March 31, 2020	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	-	-	364.11	364.11
Trade Receivables (refer note 9)	-	-	7,645.20	7,645.20
Cash and Cash Equivalents (refer note 10)	-	-	9.69	9.69
Loans (refer note 11)	-	-	17.51	17.51
Other Current Financial Assets (refer note 12)	-	-	115.74	115.74
Total Financial Assets	**-**	**-**	**8,152.25**	**8,152.25**
Financial Liabilities				
Non-Current Borrowings (refer note 16)	-	-	41,828.53	41,828.53
Other Non-Current Financial Liabilities (refer note 17)	157.80	-	375.55	533.35
Current Borrowings (refer note 19)	-	-	1,971.99	1,971.99
Trade Payable (refer note 20)	-	-	4,679.24	4,679.24
Other Current-Financials Liabilities (refer note 21)	-	-	19,468.19	19,468.19
Total Financial Liabilities	**157.80**	**-**	**68,323.49**	**68,481.29**

*Restated pursuant to Scheme of Arrangement (refer note 42)

Continue...

B. Measurement of Fair values and Sensitivity analysis Fair Value Hierarchy:

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

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

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

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

Financial Instrument measured at Fair Value

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Significant observable inputs
	March 31, 2021	March 30, 2020		
Mark to market Derivative Assets on interest Rate Swap and cross Currency Swap valued at FVTPL. (refer note 5 & 12)	370.70	-	Level 2	Fair value as ascertained and provided by Bank
Mark to market Derivative Liabilities on interest Rate Swap and cross Currency Swap valued at FVTPL. (refer note 17)	-	157.80	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

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

Reconciliation of level 1 Fair Values

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

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance on 1st April 2020	-	-
Net change in Fair Value (unrealized)	-	-
Purchases	-	4,600.00
Sales	-	(4,600.00)
Closing balance on 31st March 2021	-	-

There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2021.

Financial Risk Management Framework

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

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

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

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

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

i. Credit Risk

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

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

Financial Instruments and Cash Deposit:

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

Trade Receivables

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

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

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

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Domestics	11,729.11	7,645.20
Other Regions	154.62	-
Total	**11,883.73**	**7,645.20**

Age of Receivables

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Neither due nor Impaired	9,343.52	5,181.77
Past due 1–90 days	2,309.45	2,415.93
Past due 91–180 days	53.86	2.81
More than 180 days	176.91	44.70
Total	**11,883.73**	**7,645.20**

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

Management estimates that the amount of provision of Rs 18.38 Lakh (31st March 2020 : 18.38 Lakhs) is appropriate

ii. Liquidity Risk

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

Exposure to Liquidity Risk

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

Non-Derivative Financial Liabilities

(Rs. in Lakhs)

March 31, 2021	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
India Rupee loan	33,979.65	33,979.65	8,164.91	8,164.91	17,649.82	-
Foreign currency loan	12,348.00	12,348.00	4,116.00	4,116.00	4,116.00	-
Working Capital Loans from Banks	7,503.49	7,503.49	7,503.49	-	-	-
Trade Payables	7,304.93	7,304.93	7,304.93	-	-	-
Other Payables	11,030.92	11,030.92	11,030.92	-	-	-
Total	**72,166.99**	**72,166.99**	**38,120.25**	**12,280.91**	**21,765.82**	**-**

Non-Derivative Financial Liabilities

(Rs. in Lakhs)

March 31, 2020	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Rupee Term Loans from Banks	35,750.00	35,750.00	5,840.35	8,164.91	21,744.74	-
Foreign Currency Term Loans from Banks	14,898.60	14,898.60	2,979.72	3,972.96	7,945.92	-
Working Capital Loans from Banks	1,971.99	1,971.99	1,971.99	-	-	-
Trade Payables	4,679.24	4,679.24	4,679.24	-	-	-
Other Payables	10,648.12	10,648.12	10,648.12	-	-	-
Total	**67,947.95**	**67,947.95**	**26,119.41**	**12,137.87**	**29,690.66**	**-**

Derivative Financial Liabilities

(Rs. in Lakhs)

March 31, 2020	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Mark to Market Derivative Liabilities on Interest Rate Swap and Cross Currency Swap valued at FVTPL	157.80	157.80	31.56	42.08	84.16	-
Total	**157.80**	**157.80**	**31.56**	**42.08**	**84.16**	**-**

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

Excessive Risk Concentration

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

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

iii. Market Risk

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

Foreign Currency Risk

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

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

Exposure to Currency Risk

The Currency profile of Current Financial Assets and Current Financial Liabilities as at 31st March, 2021, 31st March , 2020 are as below:

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

(Rs. in Lakhs)

March 31, 2021	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables	11,883.73	154.62	-	-	11,729.11
Other Non-Current Financial Assets	1,035.80	-	247.13	-	788.67
Other Current Financial Assets	183.80	-	123.57	-	60.23
Total	**13,103.33**	**154.62**	**370.70**	**-**	**12,578.01**
Financial Liabilities					
Non Current Borrowings	34,046.74	-	8,232.00	-	25,814.74
Trade Payables	7,304.93	-	6.86	-	7,298.07
Other Current Financial Liabilities	23,311.85	1,319.98	4,120.15	117.88	17,753.84
Less : Foreign Currency Hedged	12,348.00	-	12,348.00	-	-
Total	**52,315.52**	**1,319.98**	**11.01**	**117.88**	**50,866.64**

(Rs. in Lakhs)

March 31, 2020	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and other Receivables	7,645.20	-	-	-	7,645.20
Total	**7,645.20**	**-**	**-**	**-**	**7,645.20**
Financial Liabilities					
Non Current Borrowings	41,828.53	-	11,918.88	-	29,909.65
Trade Payables	4,679.24	847.02	-	-	3,832.22
Other Current Financial Liabilities	19,468.19	525.65	2,983.73	610.10	15,348.71
Less : Foreign Currency Hedged	14,898.60	-	14,898.60	-	-
Total	**51,077.36**	**1,372.67**	**4.01**	**610.10**	**49,090.58**

Sensitivity Analysis

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

(Rs. in Lakhs)

March 31, 2021	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(58.27)	58.27	(37.91)	37.91
EUR	17.98	(17.98)	11.70	(11.70)
CNY	(5.89)	5.89	(3.83)	3.83

(Rs. in Lakhs)

March 31, 2020	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(68.63)	68.63	(44.65)	44.65
EUR	(0.20)	0.20	(0.13)	0.13
CNY	(30.50)	30.50	(19.85)	19.85

Interest Rate Risk

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

Exposure to Interest Rate Risk

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

(Rs. in Lakhs)

Variable-Rate Instruments	March 31, 2021	March 31, 2020
Non-Current - Borrowings	34,046.74	41,828.53
Current - Borrowings	7,503.49	1,971.99
Current portion of Long Term Borrowings	12,280.91	8,820.07
Total	**53,831.14**	**52,620.59**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

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

(Rs. in Lakhs)

March 31, 2021	Profit or (Loss)		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2021				
Non-Current - Borrowings	(340.47)	340.47	(221.49)	221.49
Current - Borrowings	(75.03)	75.03	(48.81)	48.81
Current portion of Long Term Borrowings	(122.81)	122.81	(79.89)	79.89
Total	**(538.31)**	**538.31**	**(350.20)**	**350.20**
31st March 2020				
Non-Current - Borrowings	(418.29)	418.29	(272.12)	272.12
Current - Borrowings	(19.72)	19.72	(12.83)	12.83
Current portion of Long Term Borrowings	(88.20)	88.20	(57.38)	57.38
Total	**(526.21)**	**526.21**	**(342.33)**	**342.33**

42. COMPOSITE SCHEME OF ARRANGEMENT

Subsequent to the year end, NCLT Ahmedabad Bench vide its order dated 03 May 2021 (the "Order"), approved the Composite Scheme of Arrangement ("the Scheme") to merger the Holding Company Meghmani Organics Limited (MOL) with the Company along with its Trading Division and Equity Investment in the Company. The Company has filed the certified true copy of the Order with the Ministry of Corporate Affairs (the "MCA") on 10th May 2021.

The Company has given effect to the merger for the year ended March 31, 2021 considering it as an adjusting event and has accounted the same as per the pooling of interest method since the conditions as per the requirements of Ind AS 103 – Business Combinations of entities under common control are met. Further, previous year numbers have been Restated as per the requirements of Ind AS 103.

As per the share swap ratio approved by NCLT in its Order, the Company is in process of making allotment of Equity Shares in the ratio of 94 Equity Shares of Rs. 10 each for every 1,000 Equity Shares of Re. 1 each held by the shareholders of MOL. Further, as per the Order, shares issued to MOL comprising of 2,35,45,985 shares of Rs. 10 each stand cancelled.

The impact of the merger on these Financial Statements is as under:

(Rs. in Lakhs)

Authorised Share Capital	Amount
Balance as at 1st April 2019	6,950.00
Add : Pursuant to Scheme of Arrangement	2,550.00
Authorised Share Capital	**9,500.00**

(₹ in Lakhs)

Authorised Share Capital	Net Asset Acquired (along with Reserves)	Value of Equity Shares issued	Capital Reserve
Merger of Meghmani Organics Limited along with its Trading division and Equity investment in the Company	2,416.35	2,390.55	25.80

The above resulted in Restatement of Financial Statement as at and for the year ended March 31, 2020. The financial caption wise changes are as below:

(Rs. in Lakhs)

Particulars	March 31, 2020		
	Reported	Net Assets acquired and other Business Combination adjustments	Restated
Total Equity	58,623.15	(276.09)	58,347.06
Total Current Assets	13,114.58	93.68	13,208.26
Total Current Liabilities	25,986.87	495.07	26,481.94
Revenue from Operations	60,978.03	72.60	61,050.63
Other Income	215.98	15.17	231.15
Profit Before Tax	14,432.10	(332.82)	14,099.28
Profit After Tax	11,407.29	(207.5)	11,199.77

Conversion of Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS):

As per the Order, OCRPS issued by the Company is transferred to Meghmani Organochem Limited as per the Scheme. Further, the OCRPS will be converted into equal number of RPS with same terms and conditions and tenure from the effective date i.e. May 3, 2021 i.e. the date of the Order. Accordingly, OCRPS is classified as equity instrument under total equity for the year ended March 31, 2021 and the same will be classified and accounted for as debt instrument from the effective date.

Increase in authorised share capital:

As per the NCLT Order Dated 03rd May, 2021, Authorised Share Capital of Rs. 25,50,00,000 of Meghmani Organics Limited shall be transferred to the Company. For the purpose, Form INC 28 filed with ROC Gujarat by the Company on 10th may, 2021. The approval of which is awaited.

43. Covid 19 Impact :

The Company continued the measures to curb the impact of COVID-19 Pandemic in order to protect the health of its employees to ensure continuity of business with minimum disruption including remote working, maintaining social distancing and sanitization of workplaces etc.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption and recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial results and expects to recover the carrying amount of its assets and meet the current financial obligations. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the Company will continue to monitor any material change to future economic conditions.

44. Events occurred after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to approval of Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 20th May 2021 there were no material subsequent events to be recognized or reported that are not already disclosed.

45. Previous years figures have been regrouped, restated and reclassified wherever necessary pursuant to above mentioned Scheme of Arrangement to make them comparable with those of the current year.

As per our Report of even date

FOR S R B C & CO LLP

For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner **Membership No.:** 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director **DIN:** 2006947
Place : Ahmedabad **Date :** 20th May 2021	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director - **DIN:** 01998162

AUDITED STANDALONE FINANCIALS FOR FINANCIAL YEAR ENDED AS ON MARCH 31, 2019

Quote

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Finechem Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of Management for the Ind AS Financial Statements

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

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and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

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per Sukrut Mehta

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May, 9, 2019

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Finechem Limited for the year ended March 31, 2019.

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

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

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

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

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

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

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

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

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

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

(c) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except the following:

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

* Net of amount paid under protest amounting to INR 8.10 lakhs

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

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

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

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

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

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

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

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act and hence, reporting requirements under clause 3(xv) are not applicable to the Company and, not recommend upon.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence, reporting requirements under clause (xvi) are not applicable to the Company and, not recommend upon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

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per Sukrut Mehta

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 9, 2019.

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

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per Sukrut Mehta

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 9, 2019

Meghmani Finechem Limited

Balance Sheet as at 31st March 2019

(Rs. in Lakhs)

Particulars	Notes	31 March 2019	31st March 2018
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	29,471.65	34,721.39
(b) Capital Work in Progress	3.2	46,824.83	7,880.26
(c) Other Intangible Assets	3.3	-	0.04
(d) Financial Assets			
(i) Others Fnancial Assets	4	485.47	470.61
(e) Non-Current Tax Assets (net)	33	28.06	751.78
(f) Income Tax Assets (net)	5	348.40	49.77
(g) Other Non-Current Assets	6	1,831.07	4,540.55
Total Non-Current Assets		**78,989.48**	**48,414.40**
Current Assets			
(a) Inventories	7	4,065.41	2,960.05
(b) Financial Assets			
(i) Investments	8	-	7,141.81
(ii) Trade Receivables	9	7,736.30	7,686.27
(iii) Cash and Cash Equivalents	10	12,921.38	7.31
(iv) Bank Balances other than (iii) above	11	-	500.99
(v) Loans	12	35.64	21.62
(vi) Other Financial Assets	13	107.37	124.94
(c) Other Current Assets	14	565.80	226.86
Total Current Assets		**25,431.90**	**18,669.85**
Total Assets		**1,04,421.38**	**67,084.25**
II Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	4,119.31	7,076.00
(b) Instuments entirely Equity in nature	15	21,091.99	-
(c) Other Equity	16	24,065.81	44,656.82
Total Equity		**49,277.11**	**51,732.82**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	36,534.05	90.00
(ii) Other Financial Liabilities	18	781.31	-
(b) Provisions	19	111.57	26.11
Total Non-Current Liabilities		**37,426.93**	**116.11**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	236.62	3,335.31
(ii) Trade Payables	21		
Total outstanding dues of Micro and Small Enterprise		85.86	38.34
Total outstanding dues of Creditors other than Micro and Small Enterprise		3,548.25	3,277.15
(iii) Other Financial Liabilities	22	13,603.18	7,833.71
(b) Other Current Liabilities	23	228.80	400.15
(c) Provisions	24	5.01	3.95
(d) Current Tax Liabilities (net)	25	9.62	346.71
Total current liabilities		**17,717.34**	**15,235.32**
Total Liabilities		**55,144.27**	**15,351.43**
Total Equity and Liabilities		**1,04,421.38**	**67,084.25**
Summary of Significant Accounting Policies	2		

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

As per our Report of even date

FOR S R B C & CO LLP

For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner **Membership No.:** 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director **DIN:** 2006947
Place : Ahmedabad **Date :** 9th May 2019	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director - **DIN:** 01998162

Meghmani Finechem Limited

Statement of Profit and Loss for the year ended on 31st March 2019

(Rs. in Lakhs)

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

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

As per our Report of even date

FOR S R B C & CO LLP

For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner **Membership No.:** 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director **DIN:** 2006947
Place : Ahmedabad **Date :** 9th May 2019	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director - **DIN:** 01998162

Meghmani Finechem Limited

Cash Flow Statement for the year ended 31st March 2019

(Rs. in Lakhs)

Particulars	31 March 2019	31st March 2018
A. Cash Flow from Operating Activities		
Profit Before Taxation	24,229.13	19,516.87
Adjustment for :		
Depreciation and Amortisation Expenses	5,409.88	5,527.15
Dividend Income	(3.47)	(1.54)
Interest Income	(139.94)	(29.01)
Interest and Finance Charges	2,173.48	896.97
Mark to Market Loss on Derivative	781.31	42.05
Unrealised Foreign Exchange Loss/(Gain)	(504.41)	29.96
Profit on sale of of Property, Plant & Equipment	(0.16)	
Profit on sale of mutual fund	(585.83)	(369.86)
Sundry Balance Written back	(149.36)	6.67
Operating Profit before Working Capital changes	**31,210.62**	**25,619.26**
Adjustment for:		
(Increase) in Inventories	(1,105.36)	(144.88)
(Increase) in Trade Receivables	(50.03)	(3,247.52)
(Increase)/Decrease in Other Non Current Financial Assets	(10.47)	3.33
(Increase)/Decrease in Other Non Current Assets	-	115.91

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(Increase)/Decrease in Other Current Financial Assets	98.21	(64.25)
(Increase)/Decrease in Other Current Assets	(338.94)	573.31
(Increase) in Short Term Loans and Advances	(14.02)	(15.15)
Increase in Trade Payables	404.08	1,444.35
Increase/(Decrease) in Long Term Provision	27.59	(2.68)
Increase in Other Current Financial Liabilities	1,964.55	2,024.50
(Decrease) in Other Current Liabilities	(171.35)	(16.50)
Increase in Short Term Provisions	1.06	2.58
Working Capital Changes	**805.33**	**673.00**
Cash Generated from Operation	**32,015.95**	**26,292.26**
Direct Taxes Paid (Net of Refund)	(5,881.09)	(3,802.91)
Net Cash from Operating Activities	**26,134.86**	**22,489.37**
B. Cash Flow from Investment Activities		
Proceed from Sale of Property, Plant & Equipment	2.50	98.76
Purchase of Property, Plant & Equipment	(30,263.96)	(12,346.74)
Fixed Deposits made	(83,976.30)	(2,914.18)
Fixed Deposits redeemed	84,400.00	2,400.00
Interest Received	376.65	20.98
Proceeds from sale of mutual funds	33,730.72	7,329.92
Investment in Mutual Fund	(26,003.08)	(11,249.07)
Dividend Received	3.47	1.54
Net Cash (Used in) Investing Activities	**(21,730.00)**	**(16,658.80)**
C. Cash Flow from Financing Activities		
Interest and Finance Charges Paid	(904.99)	(901.50)
Proceeds from long-term borrowing	39,613.00	-
Repayment of long-term borrowing	(4,578.03)	(6,764.57)
Repayment of short-term borrowing (net)	(3,098.68)	1,834.27
Dividend paid on preference shares	(1,535.56)	-
Tax on Dividend paid on preference shares	(315.64)	-
Proceeds from issue of Share Capital	1,500.00	-
Redemption of Preference shares	(22,170.89)	-
Net Cash (Used in) generated from Financing Activities	**8,509.21**	**(5,831.80)**
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	**12,914.07**	**(1.24)**
Cash and Cash Equivalent at the beginning of the year	**7.31**	**8.56**
Cash and Cash Equivalent at the end of the year	**12,921.39**	**7.31**
Cash and Cash Equivalent comprises as under		
Cash on Hand	0.92	1.55
Balance with Schedule Banks in Current Accounts	920.46	5.76
Deposits with Schedule Banks	12,000.00	-
Cash & Cash Equivalent at the end of the year (refer note 10)	**12,921.39**	**7.31**

Notes to the Cash Flow statement for the year ended on 31st March 2019.

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

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

As per our Report of even date

FOR S R B C & CO LLP

For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner **Membership No.:** 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director **DIN:** 2006947
Place : Ahmedabad **Date :** 9th May 2019	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director - **DIN:** 01998162

Meghmani Finechem Limited

Statement of Changes in Equity for the year ended 31st March 2019

(A) Equity Share Capital

(Rs. in Lakhs)

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

(B) Instrument entirely Equity in nature

(Rs. in Lakhs)

Particulars	(refer note 15)	
	No. of Shares	Amount
8% Optionally Convertible Redeemable Preference Share of Rs.10/- Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2017	**-**	**-**
Balance as at 31st March 2018	**-**	**-**
Shares issued pursuant to Scheme of Amalgamation (refer note 43)	21,09,19,871	21,091.99
Balance as at 31st March 2019	**21,09,19,871**	**21,091.99**

(C) Other Equity

(Rs. in Lakhs)

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

The accompanying Notes are an integral part of these Financial Statements

As per our Report of even date

FOR S R B C & CO LLP

For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner **Membership No.:** 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director **DIN:** 2006947
Place : Ahmedabad **Date :** 9th May 2019	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director - **DIN:** 01998162

Meghmani Finechem Limited

Notes to the Financial Statement for the year ended 31st March 2019

1. Corporate Information

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

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

2. Significant Accounting Policies

2.1 Basis for Preparation of Accounts

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

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

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

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

2.2 Significant Accounting Estimates, Assumptions and Judgements

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

Estimates and Assumptions

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

Taxes:

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

Defined Benefit Plans (Gratuity Benefits)

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

Useful economic lives of Property, Plant and Equipment

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

Intangible Assets

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

Impairment of Non- Financial Assets

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

2.3 Summary of Significant Accounting Policies

a. Current Vs. Non-Current classification:

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

An asset is treated as current when it is:

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

A liability is treated as current when it is:

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

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

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

b. Revenue Recognition

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

1) Sale of Goods

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

(i) Variable Consideration

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

Volume Rebates

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

(ii) Contract Assets

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

(iii) Trade Receivables

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

(iv) Contract liabilities

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

2) Interest Income

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

3) Export Incentives

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

4) Dividend

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

5) Insurance Claims

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

c. Foreign Currencies

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

Transactions and Balances

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

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

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

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

d. Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 42.

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

e. Property, Plant and Equipment

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

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

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

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

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

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

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

f. Intangible Assets

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

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment

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

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

Intangible assets are amortised over a period of 5 years.

g. IMPAIRMENT OF NON- FINANCIAL ASSETS

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

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

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

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

h. FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial Asset

Initial Recognition and Measurement

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

Debt Instruments at amortised cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt Instrument at FVTOCI

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

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

b) The asset's contractual cash flows represent SPPI.

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

Debt Instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

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

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

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

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

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

Impairment of Financial Assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

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

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

- Trade receivables

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of Financial Liabilities

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

Financial liabilities at Fair Value Through Profit or Loss (FVTPL)

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loan and Borrowings

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

Trade and Other Payables

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

Derivatives and Hedging Activities

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

De-recognition

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

Off-setting financial instrument

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

i. INVENTORIES

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

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

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

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

j. BORROWING COSTS

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

k. Retirement and Other Employee Benefits

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

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

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

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

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

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

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

l. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current income tax and deferred tax

Current Income Taxes

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

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

Deferred Taxes

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum Alternate Tax (MAT)

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

m. PROVISIONS

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

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

n. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

o. LEASES

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

Company as a Lessee

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

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

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

p. EARNING PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the financial statements comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. SEGMENT REPORTING

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

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

Segment Policies:

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

s. Business Combination

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

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

t. Dividend to Equity and Preference shareholders of the Company

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

The Company recognises a liability for dividends to preference holders of the Company when the dividend is authorised by the Board of Directors. Dividend to Optionally convertible / redeemable shareholders is recognised directly in equity and dividend to Redeemable preference share holders is recognised as finance cost (along with dividend tax there on)

u. New and Amended Standard

Ind AS 115 Revenue from Contracts with Customers

Continue...

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

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

v. Standards issued but not yet effective

Ind AS 116 Leases

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

Notes to the Financial Statement for the Year Ended 31st March 2019

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

Sr. No.	Descriptions	Gross Block				Depreciation/Amortisation				Net Block	
		1st April, 2018	Additions	Deduction / Adjustments	31st March, 2019	1st April, 2018	For the Year	Deduction / Adjustments	31st March, 2019	31st March, 2019	31st March, 2018
3.1	**TANGIBLE ASSET**										
	Leasehold Land	1,189.21	-	-	1,189.21	39.21	13.07	-	52.28	1,136.93	1,150.00
	Building	10,126.51	7.68	-	10,134.19	1,378.13	474.06	-	1,852.19	8,282.00	8,748.39
	Plant & Machineries	26,672.08	3.58	-	26,675.66	11,728.08	4,278.23	-	16,006.31	10,669.35	14,944.00
	Captive Power Plant & Equipments	11,321.03	74.02	-	11,395.05	1,769.94	588.35	-	2,358.29	9,036.76	9,551.09
	Furnitures & Fixtures	267.66	2.92	-	270.58	54.28	27.81	-	82.09	188.49	213.38
	Office Equipment	21.75	5.21	0.54	26.42	11.31	3.56	0.33	14.54	11.88	10.44
	Vehicles	118.39	62.38	7.30	173.47	20.96	21.01	5.15	36.82	136.65	97.43
	Computers	18.23	6.71	-	24.94	11.56	3.79	-	15.35	9.59	6.66
	TOTAL (A)	**49,734.86**	**162.50**	**7.84**	**49,889.52**	**15,013.47**	**5,409.88**	**5.48**	**20,417.87**	**29,471.65**	**34,721.39**
3.3	**INTANGIBLE ASSET**										
	GIDC Usage Rights	21.40	-	0.17	21.23	21.36	-	0.13	21.23	-	0.04
	TOTAL (B)	**21.40**	**-**	**0.17**	**21.23**	**21.36**	**-**	**0.13**	**21.23**	**-**	**0.04**
	TOTAL (A+B)	**49,756.26**	**162.50**	**8.01**	**49,910.75**	**15,034.83**	**5,409.88**	**5.61**	**20,439.10**	**29,471.65**	**34,721.43**

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

3.2 Capital Work in Progress

(Rs. in Lakhs)

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

Capital Work in Progress as at 31st March 2019 comprises expenditure for Hydrogen Peroxide, Chloromethane and Caustic Soda (including Captive Power) Plants in the course of construction.

Total amount of Capital Work-in-Progress is ₹ 46,824.83 Lakhs (31st March 2018: ₹ 7,880.26 Lakhs)

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31 March 2019 was ₹ 711.83 Lakhs (31st March 2018: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

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

Sr. No.	Descriptions	Gross Block				Depreciation/Amortisation				Net Block	
		1st April, 2017	Additions	Deduction / Adjustments	31st March, 2018	1st April, 2017	For the Year	Deduction / Adjustments	31st March, 2018	31st March, 2018	31st March, 2017
3.1	**TANGIBLE ASSET**										
	Lease hold Land	1,189.21	-	-	1,189.21	26.14	13.07	-	39.21	1,150.00	1,163.07
	Building	10,101.72	24.79	-	10,126.51	904.82	473.31	-	1,378.13	8,748.38	9,196.90
	Plant & Machineries.	26,766.76	443.66	538.34	26,672.08	7,756.43	4,408.44	436.79	11,728.08	14,944.00	19,010.33
	Captive Power Plant & Equipments	11,319.03	2.00	-	11,321.03	1,184.32	585.62	-	1,769.94	9,551.09	10,134.71
	Furnitures & Fixtures	258.88	8.78	-	267.66	24.19	30.09	-	54.28	213.38	234.69
	Office Equipment	19.27	2.48	-	21.75	7.43	3.88	-	11.31	10.44	11.84
	Vehicles	49.70	76.23	7.54	118.39	16.03	8.60	3.67	20.96	97.43	33.67
	Computers	15.81	2.42	-	18.23	7.42	4.15	-	11.56	6.67	8.39
	TOTAL (A)	**49,720.38**	**560.36**	**545.88**	**49,734.86**	**9,926.78**	**5,527.15**	**440.46**	**15,013.47**	**34,721.39**	**39,793.60**
3.3	**INTANGIBLE ASSET**										
	GIDC Usage Rights	21.40	-	-	21.40	21.36	-	-	21.36	0.04	0.04
	TOTAL (B)	**21.40**	**-**	**-**	**21.40**	**21.36**	**-**	**-**	**21.36**	**0.04**	**0.04**
	TOTAL (A+B)	**49,741.78**	**560.36**	**545.88**	**49,756.26**	**9,948.14**	**5,527.15**	**440.46**	**15,034.83**	**34,721.43**	**39,793.64**

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

3.2 Capital Work in Progress

(Rs. in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2017	309.42
Addition	7615.71
Capitalisation	44.87
As at 31st March 2018	**7880.26**

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

4. OTHER FINANCIAL ASSETS (NON CURRENT)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	159.53	149.06
Bank deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	325.94	321.55
Total	**485.47**	**470.61**

Note: Margin money deposits amounting ₹ 325.94 Lakh (31 March 2018: ₹ 321.55 Lakh) are given as security deposit against bank guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 6.7% to 6.85%.

5. INCOME TAX ASSETS (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance payment of Income Tax (Net of Provision)	348.40	49.77
Total	**348.40**	**49.77**

6. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	1,769.87	4,479.35
Balance with Government Authorities (Amount paid under Protest)	61.20	61.20
Total	**1,831.07**	**4,540.55**

7. INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in Lakhs)

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

*Restated pursuant to Scheme of Arrangement (refer note 47)

8. INVESTMENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment at Fair Value through Profit and Loss (FVTPL)		
Investment in Units of Mutual Funds (quoted) (refer note below)	-	7,141.81
Total	**-**	**7,141.81**
Aggregate amount of Quoted investments and Market Value thereof	**-**	**7,141.81**

Note: Details of Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Kotak Equity Arbitrage Fund	-	3,146.96
Edelweiss Arbitrage Fund	-	3,994.45
Total	**-**	**7,141.41**

9. TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Secured, Considered Good	194.02	172.73
Unsecured, Considered Good	7,542.28	7,513.54
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	7,736.30	7,686.27
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	**7,736.30**	**7,686.27**

Notes:

- Trade Receivable are secured to the extend of deposit received from the Customers.
- Trade Receivables are non-interest bearing and generally have credit period of 30-90 days.
- For amount due and terms and conditions relating to related party, please refer note no 36.
- For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no 41.

10. CASH AND CASH EQUIVALENTS **(Rs. in Lakhs)**

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

11. OTHER BANK BALANCE **(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Banks		-
- Deposits with original maturity of more than 3 months but less than 12 months (refer note below)	-	500.99
Total	**-**	**500.99**

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Loans to Employees (refer note below)	35.64	21.62
Total	**35.64**	**21.62**

Notes:

- Loans to Employees are interest free and generally given for tenure of 6 to 12 months
- Since all the above loans given by the company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 viz: a) secured, b) loans which have significant increase in credit risk and c) credit impaired is not applicable.

13. OTHER FINANCIAL ASSETS (CURRENT)

(Rs. in Lakhs)

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

Note: Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

14. OTHER CURRENT ASSETS

(Rs. in Lakhs)

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

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

15. SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
Equity Shares of ₹ 10 each		
75,000,000 Equity Shares (31st March 2018: 75,000,000) each Share of ₹ 10/-	7,500.00	7,500.00
Increase in Authorised Share Capital during the year* [5,000,000 Equity Share (31st March 2018: Nil) each Share of ₹ 10/-]	500.00	-
Increase in Authorised Share Capital Pursuant to Scheme of Amalgamation (refer note 43) [15,000,000 Equity Share (31st March 2018: Nil) each Share of ₹ 10/-]	1,500.00	-
Total Equity Share Capital [95,000,000 Equity Shares (31st March 2018: 75,000,000) each Share of ₹ 10/-]	**9,500.00**	**7,500.00**
Preference Shares of ₹ 100 each		
2,500,000 Preference Shares (31st March 2018: 2,500,000) each Share of ₹ 100/-	2,500.00	2,500
Reduction in Authorized Share Capital* [500,000 Preference Share (31st March 2018: Nil) each Share of ₹ 100/-]	(500.00)	-
Total Preference Share Capital [2,000,000 Preference Shares (31st March 2018: 2,500,000) each Share of ₹ 100 /-]	**2,000.00**	**2,500.00**
Preference Shares of ₹ 10 each	**-**	**-**
Increase in Authorised Share Capital Pursuant to Scheme of Amalgamation (refer note 43) [30,000,000 Preference Share (31st March 2018: Nil) each Share of ₹ 10/-]	3,000.00	-
Increase in Authorised Share Capital during the year [402,628,796 Preference Share (31st March 2018: Nil) each Share of ₹ 10/-]	40,262.88	-
Preference Share Capital [432,628,796 Preference Shares (31st March 2018: Nil) each Share of ₹ 10 /-]	**43,262.88**	-
Total Authorised Capital	**54,762.88**	**10,000.00**

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

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
ISSUED, SUBSCRIBED & PAID UP		
Equity Share Capital*		
41,193,114 Equity Shares (31st March 2018: 70,759,999) each Share of ₹ 10 /- Fully Paid Up	4,119.31	7,076.00
Total	**4,119.31**	**7,076.00**
Instrument entirely Equity in Nature (Preference Share Capital)		
210,919,871 8% Optionally Convertible Redeemable Preference Share (31st March 2018: NIL) each Share of ₹ 10 /- Fully Paid Up	21,091.99	-
Total	**21,091.99**	**-**

Reconciliation of No. of Shares

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Share Capital		
At the beginning of the Year	7,07,59,999	7,07,59,999
Issue of Equity Share Capital	50,00,000	-
Shares cancelled pursuant to Scheme of Amalgamation (refer note 43)	(3,45,66,885)	-
Closing at the end of the Year	**4,11,93,114**	**7,07,59,999**
Instrument entirely Equity in Nature (Preference Share Capital)		
At the beginning of the Year	-	-
Shares issued pursuant to Scheme of Amalgamation (refer note 43)	21,09,19,871	-
Closing at the end of the Year	**21,09,19,871**	**-**

Equity Share:

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

Optionally Convertible Redeemable Preference Share ('OCRPS'):

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

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

Share held by the Holding Company:

(Rs. in Lakhs)

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

Details of Shareholding (more than 5% Equity Shares)

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

Notes:

- As per records of the Company, including its register of shareholder / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.
- No dividend has been proposed / declared on equity and OCRPS during the year.

16. Other Equity

(Rs. in Lakhs)

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

Nature and purpose of Reserves:

Securities premium

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

Reserves On Account Of Non Cash Contribution From Shareholder

Adjustment on account of non cash capital contribution from the Holding Company is on account of the notional charges for Corporate Guarantee provided by the Holding Company.

Capital Reserve

The debit balance in Capital Reserve represents difference between amount of consideration over the value of Net Assets acquired as defined in Clause 13.5 of the Scheme of Amalgamation (refer note 43)

17. BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loan Facilities from Banks (refer note below):		
Indian Rupee loan (Secured) (refer note ii below)	22,553.00	90.00
Foreign currency loan (Secured) (refer note i below)	13,981.05	-
Redeemable Preference Shares (refere note 43)	22,170.89	-

Continue...

Particulars	As at March 31, 2019	As at March 31, 2018
Less: Shares redeemed during the year (refer note 43)	(22,170.89)	-
Total Non-Current Borrowing	**36,534.05**	**90.00**
[refer note 22 for Current Maturities of Term Loan from Banks and Financial Institutions ₹ 2200.00 Lakh (Previous Year ₹ 4002.74 Lakh)]		
The above amounts includes:		
Secured borrowing	36,534.05	90.00
Unsecured borrowing	-	-

Refer Note No - 41 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms:

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

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

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

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

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

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

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

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

Outstanding balance for this facility is ₹ 7,500 lakhs (31 March 2018: Nil).

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

The Term Loan is repayable in 18 quarterly installments of ₹ 833.33 lakhs each starting from September 30, 2020.

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

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

The Term Loan is repayable in 19 quarterly installments of ₹ 657.89 lakhs each starting from June 28, 2020.

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

(iii) ICICI Bank Limited has refinanced Term Loan of ₹ 22,000.00 Lakhs. The entire facility of ₹ 22,000.00 Lakhs has been secured by, Deed of Hypothecation dated 30th January, 2012, on the whole of movable properties of the Company, including its movable Plant & Machinery, Machinery Spares, Tools, Accessories and other movables both present and future where ever situate including Raw Material, Stock in Process, Finished Goods, Book Debts, Bills situated any where.

The rate of interest of term loan from ICICI Bank Limited is 1 Year MCLR +1.42% (i.e. 8.20%+1.42%) p.a The effective interest rate is 9.62% (31 March 2018: 9.62%).

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

The Indenture of Mortgage on immovable properties of the Company situated at Plot No. CH 1 and CH 2 has been created on 18th October, 2012 to secure term loan of ₹ 22,000.00 lakhs of ICICI Bank.

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

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

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

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

19. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity (refer note 35)	67.64	9.54
Compensated Absences	43.93	16.57
Total	**111.57**	**26.11**

20. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / Overdraft Facility from Banks (refer note below)	236.62	3,335.31
Total	**236.62**	**3,335.31**

Notes:

- The Company has availed Working Capital Facility of ₹ 13,350 lakhs (31st March 2018 : Rs 7000 Lakh) as sanctioned limit from consortium comprising of ICICI Bank Limited ₹ 7,100 lakhs, Standard Chartered Bank ₹ 3,000 lakhs and HDFC Bank Ltd. ₹ 3,250 lakhs.

  The entire facility is Secured by first pari passu charge on all the Current Assets of the Company, both present and future.
- Rate of interest stipulated by ICICI Bank Limited is sum of I-base and "Spread" per annum, subject to minimum rate of 6 Month MCLR +0.9% p.a. plus applicable interest taxes or other statutory levy, if any, on the principal amount remains outstanding each day.

  Interest rate for the year ranges between 9.5% to 9.65% (31st March 2018: 9.7%).
- Rate of interest stipulated by Standard Chartered Bank is MCLR + applicable margin. Interest rate for the year ranges between 9.35% to 9.45% (31st March 2018: 10% to 10.15%).
- Rate of interest stipulated by HDFC Bank Limited is as per prevailing 1 year MCLR +spread (to be decided). Interest rate for the ranges between @ 9.3% to 9.45% (31st March 2018: 9.5% to 9.7%).
- The Company is in the process of filing requisite forms with Ministry of Corporate Affairs for creating of first pari passu hypothecation charge over all the Current Assets for additional facilities sanctioned during the year.
- Bank loan availed by the Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net.

21. Trade Payable (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding dues of Micro and Small Enterprise (refer note 39)	85.86	38.34
Outstanding dues of Creditors other than Micro and Small Enterprise	3,548.25	3,277.15
Total	**3,634.11**	**3,315.49**

Terms and conditions of the above outstanding dues :

Trade Payables are non-interest bearing and are normally settled on 90-360 days terms. For amounts due to related parties and terms and conditions with related parties, refer note 36 and note 41 for company's credit risk management processes

22. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

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

23. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from Customers	124.34	67.66
Statutory Dues Payables	104.46	332.49
Total	**228.80**	**400.15**

24. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Compensated Absences	5.01	3.95
Total	**5.01**	**3.95**

25. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Payable (net)	9.62	346.71
Total	**9.62**	**346.71**

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

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

26.1 DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in Lakhs)

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

Notes:

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

26.2 CONTRACT ASSETS AND CONTRACT LIABILITIES

The Company has recognised the following revenue-related contract asset and liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	7,736.30	7,686.27
Advance from Customers	**124.34**	**67.66**

Notes:

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

26.3 RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

(₹ in Lakhs)

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

26.4. Performance obligation

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

26.5 Information about major customers

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

27. OTHER INCOME

(₹ in Lakhs)

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

28. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Basic Chemicals	25,667.26	23,541.19
Total	**25,667.26**	**23,541.19**

29. CHANGES IN INVENTORIES OF FINISHED GOODS

(₹ in Lakhs)

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

30. EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and Wages	1,866.98	1,429.88
Director Remuneration (refer note 36)	2,580.00	1,979.00
Contribution to Provident and Other Funds (refer note 35)	121.80	73.13
Staff Welfare Expenses	149.03	124.30
Total	**4,717.81**	**3,606.31**

31. FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Expense on :		
- Term Loan	81.75	686.22
- Cash Credit and Working Capital Demand Loan	48.26	23.50
- MSMED Payable (refere note 39)	3.17	0.39
- Others	118.18	64.37
Dividend on Non Convertible Redeemable Preference Shares (including DDT) (refer note 43)	1,851.20	-
Loss on Derivative Instruments	781.31	-
Exchange gain on restatement of External Commercial Borrowing (ECB)	(418.95)	-
Other Borrowing Costs (includes Bank Charges, etc.)	70.92	122.49
Total	**2,535.84**	**896.97**

32. OTHER EXPENSES

(₹ in Lakhs)

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

Notes:

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

(ii) Corporate Social Responsibility Expenditure – Spent during the year is ₹ 0.17 Lakh (31 March 2018 - ₹ 296.10 Lakh)

(₹ in Lakhs)

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

(iii) Payment to Auditors (excluding tax)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Statutory Audit Fees	15.50	14.00
(b) Other services	0.50	-
(c) Reimbursement of expenses	0.39	-
	16.39	**14.00**

33. TAX EXPENSE

a. Amounts recognised in Profit and Loss

(₹ in Lakhs)

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

b. Amounts recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	March 31, 2019			March 31, 2018		
	Before Tax	Tax (expense) benefit	Net of Tax	Before Tax	Tax (expense) / benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	(57.87)	20.22	(37.65)	7.95	(2.78)	5.17
Items that will be reclassified to profit or loss			-	-		-
Total	**(57.87)**	**20.22**	**(37.65)**	**7.95**	**(2.78)**	**5.17**

c. Reconciliation of Effective Tax Rate

(₹ in Lakhs)

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

d. Movement in Deferred Tax balances for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Net balance 1st April 2018	Recognised in Profit or Loss	Recognised in OCI	Other	March 31, 2019		
					Net	Deferred Tax Asset	Deferred tax liability
Property, Plant and Equipment	(3,559.53)	1,325.92	-	-	(2,233.61)	-	(2,233.61)
Gain on derivative - mark to market	-	126.62	-	-	126.62	126.62	-
Loans and Borrowings	(21.89)	21.89	-	-	-	-	-
Employee Benefits	42.76	15.85	20.22	-	78.83	78.83	-
Investment	(45.04)	45.04	-	-	-	-	-
Tax Credit (MAT)	4,461.44	-	-	(2,581.60)	1,879.84	1,879.84	-
Others	(125.96)	302.34	-	-	176.38	176.38	-
Tax Assets/ (Liabilities)	**751.78**	**1,837.66**	**20.22**	**(2,581.60)**	**28.06**	**2,261.67**	**(2,233.61)**
Set off Tax							2,261.67
Net Tax Assets / Liabilities							**28.06**

Movement in Deferred Tax balances for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	Net balance 1st April 2017	Recognised in Profit or Loss	Recognised in OCI	Other	March 31, 2019		
					Net	Deferred Tax Asset	Deferred tax liability
Property, Plant and Equipment	(4,116.98)	557.46	-	-	(3,559.53)	-	(3,559.53)
Gain on derivative - mark to market	(29.63)	29.63	-	-	-	-	-
Loans and Borrowings	(31.08)	9.19	-	-	(21.89)	-	(21.89)
Employee Benefits	31.36	14.18	(2.78)	-	42.76	42.76	-
Investment	(0.38)	(44.66)	-	-	(45.04)	-	(45.04)
Tax Credit (MAT)	4,668.96	-	-	(207.52)	4,461.44	4,461.44	-
Others		(125.96)	-	-	(125.96)		(125.96)
Tax Assets/ (Liabilities)	**522.24**	**439.84**	**(2.78)**	**(207.52)**	**751.78**	**4,504.20**	**(3,752.42)**
Set off tax							4,504.20
Net Tax Assets/ (Liabilities)							**751.78**

34. DISCLOSURE OF EARNINGS PER SHARE

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

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

The following reflects the income and share used in the basic and diluted EPS computation:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit attributable to equity Shareholders (Figure in ₹ in Lakhs)	18,280.69	15,547.46
Total number of Equity Shares at the end of the Year (Nos)	4,11,93,114	7,07,59,999
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	7,28,60,531	7,07,59,999
- For diluted EPS calculation	8,97,34,121	7,07,59,999
Nominal value per Equity Share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	25.09	21.97
Diluted Earnings Per Share (₹)	20.37	21.97
Weighted average number of Equity Shares		
Weighted average number of Equity Shares for basic EPS	7,28,60,531	7,07,59,999
Effect of dilution:		
Optionally Convertible Reddemable Preference Shares (OCRPS)	1,68,73,590	-
Weighted average number of Equity Shares adjusted for the effect of dilution	**8,97,34,121**	**7,07,59,999**

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35. GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

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

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Opening balance of Defined Benefit Obligation	**122.93**	**108.62**
Service Cost		
a. Current Service Cost	40.43	25.22
Interest Cost	9.47	7.93
Benefits Paid	(10.11)	(9.71)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	54.25	(4.84)
b. Actuarial Loss/(Gain) from experience over the past period	(4.05)	(4.29)
c. Actuarial (Loss)/Gain from change in demographic assumptions	6.58	-
Closing balance of the Defined Benefit Obligation	**219.50**	**122.93**

Table 2: Reconciliation of Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Opening balance of Fair Value of Plan Assets	**113.59**	**86.84**
Contributions by Employer	41.95	31.31
Benefits Paid	(10.11)	(9.71)
Interest Income on Plan Assets	7.51	6.34
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	0.43
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(1.08)	(1.62)
Closing balance of Fair Value of Plan Assets	**151.86**	**113.59**
Actual Return on Plan Assets	6.43	5.16

Table 3: Expenses Recognised in the Profit and Loss Account

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Service Cost		
a. Current Service Cost	40.43	25.22
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	1.96	1.59
Employer Expenses	**42.39**	**26.81**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Present Value of DBO	219.50	122.93
Fair Value of Plan Assets	151.86	113.59
Liability/(Asset) recognised in the Balance Sheet	**67.64**	**9.34**
Funded Status [Surplus/(Deficit)]	**(67.64)**	**(9.34)**
Of Which, Short term Liability	**-**	**-**
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**(4.05)**	**(4.29)**
Experience Adjustment on Plan Assets: Gain/(Loss)	**(1.08)**	**(1.62)**

Table 5: Percentage Break-down of Total Plan Assets

Particulars	March 31, 2019	March 31, 2018
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	*100%*	*100%*
Total	**100%**	**100%**

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

Table 6: Actuarial Assumptions

Particulars	March 31, 2019	March 31, 2018
Salary Growth Rate	10% p.a.	6% p.a.
Discount Rate	7% p.a.	7.7% p.a.
Withdrawal Rate	12% p.a.	2% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Expected Return on Plan Assets	7.7% p.a.	7.3% p.a.
Expected weighted average remaining working life	5 years	12 years

Table 7: Movement in Other Comprehensive Income

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Opening Balance (Loss)/Gain	**(17.76)**	**(25.70)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	(54.25)	4.84
b. Actuarial (Loss)/Gain from experience over the past period	4.05	4.29
c. Actuarial (Loss)/Gain from change in demographic assumptions	(6.58)	-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	0.43
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(1.08)	(1.62)
Closing Balance (Loss)/Gain	**(75.62)**	**(17.76)**

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2019	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 15.33 Lakh	DBO decrease by ₹ 13.87 Lakh
Discount Rate	DBO decreases by ₹ 14.12 Lakh	DBO increases by ₹ 15.94 Lakh
Withdrawal Rate	DBO decreases by ₹ 3.18 Lakh	DBO increases by ₹ 3.46 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.04 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increase by ₹ 0.16 Lakh	
Financial Year ended 31st March 2018	**Increases 1%**	**Decreases 1%**
Salary Growth Rate	DBO increases by ₹ 14.18 Lakh	DBO decreases by ₹ 12.15 Lakh
Discount Rate	DBO decreases by ₹ 11.86 Lakh	DBO increases by ₹ 14.08 Lakh
Withdrawal Rate	DBO increases by ₹ 1.20 Lakh	DBO decreases by ₹ 1.45 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO decreases by ₹ 0.09 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO decreases by ₹ 0.17 Lakh	

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

Table 9: Movement in Surplus/ (Deficit)

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Surplus/ (Deficit) at start of period	**(9.34)**	**(21.78)**
Current Service Cost	(40.43)	(25.22)
Past Service Cost	-	-
Net Interest on net DBO	(1.96)	(1.59)
Actuarial gain/ (loss)	(57.86)	7.94
Contributions	41.95	31.31
Surplus/ (Deficit) at end of period	**(67.64)**	**(9.34)**

(b) Defined Contribution Plans

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

36. RELATED PARTIES DISCLOSURES

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

(₹ in Lakhs)

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

Outstanding Balances with Related Parties

(₹ in Lakhs)

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

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

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

37. SEGMENT REPORTING

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

38. CONTINGENT LIABILITIES & COMMITMENTS

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

(₹ in Lakhs)

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

B. Capital Commitment

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

C. Other Commitment

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

D. Provident Fund Liability

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Providend Fund dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

39. DISCLOSURES AS PER MSMED ACT, 2006

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

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at 31st March, 2018 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any,that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance-Sheet date.

The details as required by MSMED Act are given below:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any Supplier as at the end of each accounting year;		
Principal and Interest		
Trade Payables	85.86	38.34
Capital Payables	319.94	-
Interest	12.84	9.67
The amount of interest paid by the Buyer in terms of Section 18 of MSMED Act, along with the amounts of the payment made to the Supplier beyond the appointed day during each accounting year	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;	6.58	2.86
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	12.84	9.67

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

40. Capital Management

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

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

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Total Interest bearing liabilities	38,970.67	7,428.05
Less : Cash and Cash Equivalent	12,921.38	7.31
Adjusted Net Debt	**26,049.29**	**7,420.74**
Total Equity	49,277.11	51,732.82
Adjusted Equity	**49,277.11**	**51,732.82**
Adjusted Net Debt to Adjusted Equity ratio	0.53	0.14

41. Financial Instruments – Fair Values and Risk Management

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

A. Category-wise classification of Financial Instrument

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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B. **Measurement of Fair values and Sensitivity analysis**

Fair Value Hierarchy:

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

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

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

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

Financial Instrument measured at Fair Value

Financial Asset/Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Significant observative inputs
	31st March 2019	31st March 2018		
Investment in Mutual Fund at FVTPL (quoted) (refer note 8)	-	7,141.81	Level 1	NAV statement provided by the Fund Manager
Mark to market Derivative Liabilities on Interest Rate Swap and Cross Currency Swap at Valued at FVTPL (refer note 18)	781.31	-	Level 2	Fair Value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

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

Reconciliation of level 1 Fair Values

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

(₹ in Lakhs)

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

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

Financial Risk Management Framework

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

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

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

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

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

i. **Credit Risk**

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

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

Financial Instruments and Cash Deposit:

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

Trade Receivables

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

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

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

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Domestics	7,612.57	7,686.27
Other Regions	123.73	-
Total	7,736.30	7,686.27

Age of Receivables

(₹ in Lakhs)

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

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

ii. **Market Risk**

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

Foreign Currency Risk

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

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

Exposure to Currency Risk

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

Sensitivity Analysis

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

Interest Rate Risk

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

Exposure to Interest Rate Risk

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

(₹ in Lakhs)

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

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

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

(₹ in Lakhs)

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

Equity Price Risk

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

iii. **Liquidity Risk**

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

Exposure to Liquidity Risk

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

Non-Derivative Financial Liabilities

(₹ in Lakhs)

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

Derivative Financial Liabilities

(₹ in Lakhs)

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

Non-Derivative Financial Liabilities

(₹ in Lakhs)

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

Derivative Financial Liabilities

(₹ in Lakhs)

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

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

Excessive Risk Concentration

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

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

42. AMALGAMATION WITH MEGHMANI AGROCHEMICAL PRIVATE LIMITED AND SHAREHOLDING CHANGES

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

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

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

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

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

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

(i) 3,45,66,855 lakhs Equity Shares of the Company as held by MACPL has been cancelled by operation of law as per the terms of the Scheme.

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

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

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

(v) Breakup of purchase consideration

(₹ in Lakhs)

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

43. Events occurred after the Balance Sheet date

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

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

As per our Report of even date

FOR S R B C & CO LLP

For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN-U24100GJ2007PLC051717)

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

Sukrut Mehta Partner **Membership No.:** 101974	**Sanjay Jain** Chief Financial Officer	**Maulik Patel** Chairman & Managing Director **DIN:** 2006947
Place : Ahmedabad **Date :** 09th May, 2019	**K D Mehta** Company Secretary	**Kaushal Soparkar** Managing Director - **DIN:** 01998162

L. CHANGE IN ACCOUNTING POLICIES IN THE LAST THREE YEARS AND THEIR EFFECT ON PROFITS AND RESERVES

Except as mentioned below, there are no significant changes in the accounting policies during the Fiscal 2021, Fiscal 2020 and Fiscal 2019.

During the Fiscal 2019, the Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 1, 2018. The cumulative effect of initially applying Ind AS 115 was not material.

During the Fiscal 2020, the Company has adopted Ind AS 116 Lease with effective date from 1st April 2019 and applied the standard to all lease existing on April 01, 2019 using the modified retrospective, the company has recognized a liability at present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and the Right of Use asset at an amount equal to lease liability adjusted for any prepayments/accruals recognized in the Balance Sheet as on March 31, 2020. There is no impact on Retained Earning as on April 01, 2019.

M. SUMMARY OF CONTINGENT LIABILITIES

A summary of our contingent liabilities as at March 31, 2021 is as set out below:

(₹ in Lakhs)

Particulars	Amount
Disputed Service Tax Liability	108.37
Disputed Custom Duty Liability	621.83
In respect of letter of credit	565.12
Total	**1,295.32**

N. SUMMARY OF RELATED PARTY TRANSACTIONS FOR LAST THREE FISCALS

The summary of related party transactions as per the Standalone Financial Statements for Fiscals 2019 and 2020, and Consolidated Financial Statements for the Fiscals 2021 are as follows:

(₹ in Lakhs)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Sale of Goods	10,822.76	9,049.65	12,984.42
Availing of Service (Rent)	123.11	104.41	93.79
Purchase of Goods / Trading	-	1,191.42	0.31
Purchase of Service	13.82	-	-
Purchase of License	352.49	363.05	482.76
Sitting fees	5.50	7.50	6.50
Remuneration	1,293.66	1,192.39	2637.00
Dividend Paid on NCRPS	-	-	1,535.56
Dividend Paid on OCRPS	-	1,687.36	-
Issue of NCRPS	-	-	22,170.89
Redemption of NCRPS	-	-	22,170.89
Issue of OCRPS	-	-	21,091.99
Loan Given	-	-	10.00
Repayment of Loan	-	6.00	3.00
Issue of Equity Shares			1,500.00
Success Fees to Promoters			1,500.00

O. DETAILS OF OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the company.

Accordingly, all such companies with which our Company had related party transactions as per the Audited Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in the Information Memorandum if:

i. such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the Information Memorandum; and

Continue...

ii. such companies shall be considered material and disclosed as group companies which are part of the Promoter Group and with which there were transactions in the most recently completed fiscal (i.e., fiscal 2021) as per the audited consolidated financial statement included in the Information Memorandum, which, individually or in the aggregate, exceed 10% of the total revenues of our Company for the most recently completed fiscal (i.e., fiscal 2021) as per the audited consolidated financial information included in the Information Memorandum

Based on the above, the following companies have been identified as our Group Companies:

1. Meghmani Industries Limited
2. Meghmani Novotech Private Limited
3. Meghmani Organics Limited

The details of our Group Companies are as follows:

1. Meghmani Industries Limited ("MIL")

Corporate Information

MIL was originally incorporated on February 22, 1993 as a public limited company under the Companies Act, 1956, with the name "Patel Agrochem Limited" in Ahmedabad, Gujarat and received a certificate of commencement of business on February 22, 1993 from RoC. Further, a fresh certificate of incorporation consequent to change of name from "Patel Agrochem Limited" to "Meghmani Industries Limited" was issued on March 31, 1994 by RoC. The CIN of MIL is U29199GJ1993PLC019013.

Nature of activities

MIL is presently engaged in the business of manufacturing and sale of agrochemicals, dyes and allied chemicals.

Financial Performance

The financial information derived from the audited financial statements of MIL as of and for the Financial Years 2020, 2019 and 2018 is set forth below:

(Rs. in Lakhs except amount per share)

Particulars	FY 2020	FY 2019	FY 2018
Paid up Equity share capital of ₹ 10/- each	450.00	450.00	450.00
Reserve and Surplus	44,069.59	36,329.05	30,782.62
Revenue from operation	81,327.93	68,782.55	50,479.75
Profit after tax (PAT)	8,364.41	5,573.55	3,170.55
Earnings per share (EPS)-Basic & Diluted (₹)	185.88	123.86	70.46
Net Asset Value per equity share (₹)	989.32	817.31	694.06

Capital Structure

(Rs. in Lakhs, except share data)

	Particulars	Aggregate value at Nominal Value
I	**Authorised Share Capital**	
	1,00,00,000 Equity Shares of ₹ 10 each	1,000.00
II	**Issued, Subscribed and Paid-up Share Capital**	
	45,00,000 Equity Shares of ₹ 10 each	450.00

2. Meghmani Novotech Private Limited ("MNPL")

Corporate Information

MNPL was incorporated on November 4, 2019 as a private limited company under the Companies Act, 2013, in Ahmedabad, Gujarat. The CIN of MNPL is U24299GJ2019PTC110646.

Nature of activities

MNPL is presently engaged in the business of manufacturing and sale of chemicals, chemical compounds, inorganic chemicals, organic chemicals, pure chemicals, fine chemicals, photographic chemicals, marine chemicals, petrochemicals, petroleum products, polymers, chemical auxiliaries, chemical products used in industrial, commercial and for end use purposes.

Financial Performance

The financial information derived from the audited financial statements of MNPL as of and for the Financial Year 2020 is set forth below:

(Rs. in Lakhs except amount per share)

Particulars	FY 2020
Paid up Equity share capital of ₹ 10/- each	225.15
Reserve and Surplus	670.41
Revenue from operation	0.47
Profit after tax (PAT)	**(4.74)**
Earnings per share (EPS)-Basic & Diluted (₹)	(0.21)
Net Asset Value per equity share (₹)	39.78

Capital Structure

(Rs. in Lakhs, except share data)

	Particulars	Aggregate value at Nominal Value
I	**Authorised Share Capital**	
	50,00,000 Equity Shares of ₹ 10 each	500.00
II	**Issued, Subscribed and Paid-up Share Capital**	
	45,03,000 Equity Shares of ₹ 10 each	450.30

3. Meghmani Organics Limited ("MOL-1")

Corporate Information

MOL was originally formed as a partnership firm in the name and style of M/s Gujarat Industries. Subsequently the partnership firm was incorporated into a company at Ahmedabad in the state of Gujarat with the name "Meghmani Organics Limited" on January 2, 1995 under part IX of the Companies Act, 1956. MOL obtained the certificate of commencement of business on January 4, 1995.

Pursuant to Composite Scheme of Arrangement under sections 230 to 232, read with section 66 and other applicable provisions of, the Companies Act, 2013, between MOL-1, our Company and MOL-2, its shareholders and creditors, the Agrochemical and Pigment Divisions of MOL-1 along with its investment in Optionally Convertible Redeemable Preference Shares ('OCRPS') of Meghmani Finechem Limited (MFL/ Transferee Company) will be demerged and transferred into a wholly owned subsidiary Company of MOL-1 i.e. Meghmani Organochem Limited (MOL-2/Resultant Company) and MOL-1 along with its trading business and equity investment in MFL shall be merged into MFL. The said Scheme was approved by NCLT, Ahmedabad Bench vide its order dated May 3, 2021. The appointed date of the Scheme is April 1, 2020 and effective date is May 10, 2021. Pursuant to said Scheme being effective, MOL-1 is dissolved.

Nature of activities

MOL was engaged in the business of manufacturing and sale of agrochemicals, dyes and allied chemicals.

Financial Performance

The financial information for the financial years 2021, 2020 and for 2019 is set forth below:

(Rs. in Lakhs except amount per share)

Particulars	FY 2021$ #	FY 2020$	FY 2019$
Paid up Equity share capital of ₹1/- each	2,543.14	2,543.15	2,543.15
Reserve and Surplus	114759.98	1,18,168.9	97,606.34
Revenue from operation	163,665.61	22,4728.4	21,2116.2
Profit after tax (PAT)	18,647.61	28,901.52	29,536.72
Earnings per share (EPS)-Basic & Diluted (₹)	7.33	9.44	9.88
Net Asset Value per equity share (₹)	46.13	47.47	39.38

$ based on audited consolidated financial statements

 # Financial information for FY 2021 has been extracted from financial statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited)

Capital Structure

(Rs. in Lakhs, except share data)

	Particulars	Aggregate value at Nominal Value
I	**Authorised Share Capital**	
	37,00,00,000 Equity Shares of ₹ 1 each	3,700.00
II	**Issued, Subscribed and Paid-up Share Capital**	
	25,43,14,000 Equity Shares of ₹ 1 each	2,543.14

P. INTERNAL RISK FACTORS

1. Our business, financial condition and results of operations have been and may continue to be materially adversely affected by the COVID-19 pandemic.

In late 2019, the COVID-19 disease, commonly known as "novel coronavirus", was first reported in Wuhan, China. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 it was declared a pandemic. Governments across the world instituted measures to control the spread of COVID-19, including lockdowns, quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of nonessential businesses. The negative effects of the pandemic on, among other things, supply chains, global trade, mobility of persons, business continuity and demand for goods and services have been sizable. In order to contain the spread of COVID-19, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, has been progressively relaxed. State governments in India also announced state level lockdowns. In compliance with the lockdown orders announced by the governments of the states where our plants are located, we temporarily closed our manufacturing facilities. We gradually re-opened our manufacturing facilities in compliance with state level directives over the months of April and May 2020 and all our manufacturing facilities were operational by May 2020. During the period that our plants were closed for 10-15 days and our production and sales was affected to that extent. This adversely affected our profitability for FY 2021. Further, the continuation of the COVID-19 pandemic and any consequent lockdowns substantially increase the possibility of our vendors invoking force-majeure clauses in their supply arrangement. There is therefore a likelihood of disruption in supply chain, increased raw material/ supply and service costs and the consequent impact on plant production.

In recent weeks, there has been a substantial increase in the number of COVID-19 cases in India, leading to further movement restrictions in various parts of India. There can be no assurance that there will not be a continued occurrence or a recurrence of an outbreak of COVID-19, or another significant global outbreak of a severe communicable disease. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if stricter lockdowns will not be re-introduced or extended in the future. The degree to which the COVID-19 pandemic further affects our results of operations will depend on future developments which are highly uncertain and cannot be predicted, including but not limited to the duration and spread of the COVID-19 pandemic, its severity, the actions to contain the COVID-19 pandemic or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The COVID-19 pandemic may continue to disrupt our operations including through lockdowns and limited operations and access to business resources, where such disruption may impact the growth rate of our business.

2. There are outstanding litigations involving our Company. Any adverse outcome in any of these proceedings may adversely affect our results of operations and financial condition.

Our Company is involved in certain outstanding legal proceedings, which are pending at different levels of adjudication at different forums. Brief details of such outstanding litigation are as follows:

Nature of Cases	Number of Cases	Amount (₹ lakhs)
Litigations against our Company		
Material Civil Case	Nil	Nil
Statutory Authorities (Customs)	Nil	Nil
Indirect Taxes	5	730.20

For further details, please see section titled "Outstanding Litigations and Material Developments" given on page 327 of the Information Memorandum.

We cannot assure you that these legal proceedings will be decided in favour of Company as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Financial Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition

3. There are no supply agreements for the major raw materials required for manufacturing our products. Volatility in prices and non -availability of the raw material may have an adverse impact on our operations.

We do not have any agreement with suppliers with respect to supply of raw materials we purchase from them. Any significant increase in the prices of these raw materials. and our inability to pass on increased costs or raw material to our customers, may adversely affect our sales and profitability. In the event of any disruption in raw material supply in terms of requisite quantities and qualities our production schedule may also be adversely affected.

4. We are subject to product liability exposure. Any potential claims in relation to the quality, use, or otherwise of our products may harm our reputation and/or have an adverse impact on our operations, revenue and profitability.

We are exposed to potential claims in relation to the quality and use of some of our products. For defending any product liability claim, we may have to incur substantial legal costs and may also have to divert our management's attention away from business operations. Further, any judgment/award or findings, against us in such claim, may harm our reputation, and may have an adverse impact on our revenue and profitability.

5. We are subject to public liability exposure. Though we have procured insurance the same may not be adequate for the claims arising from such liabilities and hence it may affect our financials.

We may be exposed to public liability claims as we deal with products, which are made from raw materials, which are hazardous and poisonous and/or chemicals, which are combustible and flammable. In the event of any accident, we may have to incur clean-up costs or pay damages for, inter alia, personal injuries or loss or damage to property etc. suffered by the public or any third party.

Pursuant to the statutory requirements set out in the Factories Act and the Public Liability Insurance Act 1991, we have procured consolidated public liability insurance cover up to ₹ 500 lakhs for all of our facilities. However, in the event that our insurance does not adequately cover the liability arising from such accidents, our financial performance may be adversely affected. Such accidents will also result in an increase in our Company's insurance premiums and will accordingly affect our financial results.

Q. OUTSTANDING LITIGATIONS AND DEFAULTS OF THE TRANSFEREE ENTITY, PROMOTERS, DIRECTORS OR ANY OF THE GROUP COMPANIES

Except as disclosed herein, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, and (iv) material litigation, in each case involving our Company, Subsidiary, Promoters and Directors.

In relation to (iv) above, our Board in its meeting held on May 20, 2021, has considered and adopted a policy of materiality for identification of material litigation. In terms of the materiality policy adopted by our Board, any outstanding litigation:

(a) involving our Company and Subsidiary in which the aggregate monetary amount involved is in excess of (i) five percent (5%) of the profit after tax income ie ₹504.20 lakhs (5% of ₹10,083.93 lakhs); or (ii) two percent (2%) of total income ie ₹1,661.58 lakhs (2% of ₹83078.93 lakhs) whichever is lower, as per the Consolidate Financial Statements of our Company as on March 31, 2021

(b) involving Directors and Promoters, the outcome of which could have a material adverse effect on our Company, irrespective of the amount involved in such litigation, has been considered as material; and

(c) involving our Company, our Subsidiary and our Promoter, the outcome of which could have a material adverse effect on the position, business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation, has been considered as material.

Further, except as disclosed herein, there are no disciplinary actions including penalties imposed by SEBI or a recognized stock exchange against our Promoters, in the last five Fiscals immediately preceding the date of the Information Memorandum, including any outstanding action.

Further, except as disclosed herein, there are no outstanding litigations involving our Group Companies as on the date of the Information Memorandum, which will have a material impact on our Company.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoters or Group Company from third parties (excluding those notices issued by statutory/ regulatory/ tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, shall not be considered as material until such time that our Company, Directors, Promoters or Group Company, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.

We have disclosed matters relating to direct and indirect taxes involving our Company, Directors and Promoters in a consolidated manner giving details of number of cases and total amount involved in such claims. All terms defined in a particular litigation disclosure below are for that particular litigation only.

I. Litigation proceedings initiated against our Company

a) Criminal proceedings: Nil

b) Statutory or regulatory proceedings: Nil

c) Other pending proceedings: Nil

d) Tax proceedings (consolidated)

Sr. No.	Type of Tax	No. of cases outstanding	Amount involved (in ₹ lakh)
1	Direct Tax	Nil	Nil
2	Indirect Tax	5	730.20

II. Litigation proceedings initiated by our Company

a) Criminal proceedings: Nil

b) Other pending proceedings: Nil

III. Litigation proceedings initiated against our Directors

a) Criminal proceedings: Nil

b) Statutory or regulatory proceedings: Nil

c) Other pending proceedings: Nil

IV. Litigation proceedings initiated by our Directors

a) Criminal proceedings: Nil

b) Other pending proceedings: Nil

c) Tax proceedings: Nil

V. Litigation proceedings initiated against our Promoters

a) Criminal proceedings: Nil

b) Statutory or regulatory proceedings: Nil

c) Other pending proceedings: Nil

d) Disciplinary action including penalty imposed by SEBI or stock exchanges against promoters in the last five financial years including outstanding action: Nil

e) Tax proceedings (consolidated): Nil

VI. Litigation proceedings initiated by our Promoters

a) Criminal proceedings: Nil

b) Other pending proceedings: Nil

VII. Litigation proceedings initiated against our Subsidiary

a) Criminal proceedings: Nil

b) Statutory or regulatory proceedings: Nil

c) Other pending proceedings: Nil

d) Tax proceedings (consolidated): Nil

VIII. Litigation proceedings initiated by our Subsidiary

a) Criminal proceedings: Nil

b) Other pending proceedings: Nil

IX. Any pending litigation involving the Group Company which has a material impact on our Company

NIL

R. REGULATORY ACTION, IF ANY - DISCIPLINARY ACTION TAKEN BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS IN LAST 5 FINANCIAL YEARS – NIL

S. OUTSTANDING CRIMINAL PROCEEDINGS AGAINST THE PROMOTERS – NIL

T. PARTICULARS OF HIGH, LOW AND AVERAGE PRICES OF THE SHARES OF THE LISTED TRANSFEROR COMPANY DURING THE PRECEDING THREE YEARS

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

BSE

Fiscal	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Average market price of the Equity Shares for the year (₹)
2020-21	128.15	March 16, 2021	12,63,221	37.60	April 1, 2020	1,33,042	70.71
2019-20	73.00	May 29, 2019	2,99,243	31.80	March 24, 2020	1,24,856	55.67
2018-19	114.40	May 8, 2018	2,86,787	42.10	February 6, 2019	5,33,600	76.97

(Source: www.bseindia.com)

NSE

Fiscal	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Average market price of the Equity Shares for the year (₹)
2020-21	128.70	March 16, 2021	1,23,76,553	37.25	April 1, 2020	15,15,329	70.73
2019-20	73.15	May 29, 2019	18,03,484	32.05	March 25, 2020	6,20,583	55.68
2018-19	114.35	May 8, 2018	19,53,163	42.15	February 6, 2019	22,79,792	76.98

(Source: www.nseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the high volume has been considered.

U. ANY MATERIAL DEVELOPMENT AFTER THE DATE OF THE BALANCE SHEET

1. Hon'ble NCLT has, vide an order dated May 3, 2021 approved the Composite Scheme of Arrangement between Meghmani Organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws. Pursuant to the Scheme, the Remaining Business Undertaking i.e., trading in chemical products and investment of erstwhile Meghmani Organics Limited (as defined in the Scheme) stands amalgamated in our Company. The Effective Date of the Scheme is May 10, 2021, with the Appointed Date of April 1, 2020. In accordance with the Scheme, our Company has allotted 2,39,03,029 Equity Shares of ₹ 10 each to the shareholders of erstwhile Meghmani Organics Limited as on the Record Date in the ratio of 94 Equity Shares of our Company for every 1,000 Equity Shares held in erstwhile Meghmani Organics Limited and 2,35,45,985 Equity Shares of ₹ 10 each of our Company held by the erstwhile Meghmani Organics Limited was cancelled.
2. Our Board of Directors was reconstituted and KMPs were appointed;
3. Our Company received in-principle approval from NSE and BSE on July 23, 2021 and August 11, 2021 respectively. Further, our Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide its letter no. SEBI/HO/CFD/DIL-1/P/OW/2021/18630/1 dated August 12, 2021.

For and on behalf of the Board of Directors of Meghmani Finechem Limited

[Maulik Jayantibhai Patel]
[Chairman and Managing Director]

[Kaushal Ashishbhai Soparkar]
[Managing Director and CEO]

Date: August 12, 2021

Place: Ahmedabad