

Ref: MOL/2022-23/22

June 3, 2022

<b>To</b> <b>National Stock Exchange of India Limited</b> "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 <b>SYMBOL:- MOL</b>	<b>BSE Limited</b> Floor- 25, P J Tower., Dalal Street, Mumbai 400 001 <b>Scrip Code:- 543331</b>
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Dear Sir/ Madam

**Sub:- Notice of 3<sup>rd</sup> Annual General Meeting ("AGM") along with Annual Report of the Company for FY2021-22**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the **3<sup>rd</sup> Annual General Meeting (AGM)** of the members of the Company is scheduled to be held on **Monday, June 27, 2022 at 12:00 noon IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the provisions of Companies Act, 2013 read with latest General Circular dated May 5, 2022 together with earlier circulars issued in this regard by the Ministry of Corporate Affairs ('MCA Circulars') and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with latest Circular dated May 13, 2022 together with earlier circulars issued in this regard by the Securities and Exchange Board of India ('SEBI Circulars').

We enclose herewith Notice of 3<sup>rd</sup> AGM along with the Annual Report of the Company for FY 2021-22 including Business Responsibility Report for information of Members. The same is also available on Company's website at [www.meghmani.com](http://www.meghmani.com).

The above intimation shall be treated as due compliance of respective provisions under the Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015.

Thanking you.

**Yours faithfully,**

**For Meghmani Organics Limited**

(Formerly known as Meghmani Organochem Limited)

Jayesh Patel

**Company Secretary & Compliance Officer**

**Encl: As above**



Think  
Through



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Snapshot

53.6%	35.5%
Y-o-Y growth in revenues	Y-o-Y growth in EBIDTA
66.5%	140%
Y-o-Y growth in PAT	Dividend for FY22
0.34	19%
Debt-Equity ratio as on March 31, 2022	ROCE
23.6%	0.72
ROE	LT Debt EBIDTA



To view Annual Report 2021-22 online, visit: <http://meghmani.com>



Or scan this QR code from app in your mobile



Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



in the face of adversity, we are poised to scale new orbits.

With our unique product basket and growing global footprint, backed by prudent capital investment plans, we are thinking through tomorrow to ensure sustainable growth in the long term and creating value for our stakeholders and the environment.

Our product offerings help the agricultural, animal husbandry and public health sectors, thus creating value for the society.

Going forward, we are set to be leading players in our industry and improve our market position. As we think through tomorrow to scale up further, we are committed to making a positive difference to our clients, people, shareholders, partners and our communities.



# Building a company positioned to win

One of the leading companies in the chemical sector, Meghmani Organics is a fully integrated diversified chemical company with a diverse product portfolio and expansive global presence.

We are among the top 10 producers of pesticides in India having presence across the entire value chain in agrochemical products. Our agrochemical portfolio includes intermediates, technical as well as formulations of Pesticides and Herbicides that find application in crop protection, veterinary, public health and wood protection.

We are among the top 3 Phthalocyanine pigment players globally, specialising in blue and green pigments that find increasing applications in printing inks, paints and coatings and plastic;

Our customer base includes prominent MNCs across 75 countries.

Our R&D team comprises of ~35 qualified and dedicated scientist and engineers, 4 of which are PhDs with 15 years of experience. We have 3 patents and 650+ product registrations. It's R&D lab has earned the recognition of the Ministry of Science and Technology and is focused to develop proprietary products to sustain its expansive market reach.



## Vision

To constantly endeavour to create sustainable position as one of the leading and diversified chemical companies with strong manufacturing base in 'Organic Chemistry' aiming global presence with worldwide product acceptability.



## Mission

### We will lead... through

- Empowered work environment
- Speed of decision making
- Ethical way of functioning
- Business integrity
- Honouring commitments
- Focusing on results
- Innovation & efficiency



## Values

- Integrity
- Credibility
- Being Human
- Law abiding
- Environment
- Safety

## Key facts

### Vertically integrated facilities

for key products

**400+**

Customer base for agro-chemical and pigment business

**3500+**

Distributors in India

**36+ brands**

of various pesticides formulations in India



Our product portfolio

## An attractive basket with high growth potential

Our product portfolio comprises of wide range of products catering to several downstream industries. Driving synergies within operations, we have created a niche portfolio of products with market leadership in key products.

### Agrochemicals

We are one of the leading agrochemical manufacturers with a strong worldwide presence and rank among the top 10 producers of pesticides in the country. The agrochemical products comprise insecticides, herbicides which ensure crop protection and higher yields.

We have three multifunctional ISO 9001 and 14001 certified production facilities for agrochemicals in Gujarat, India's prime manufacturing belt.

**51,060 TPA**

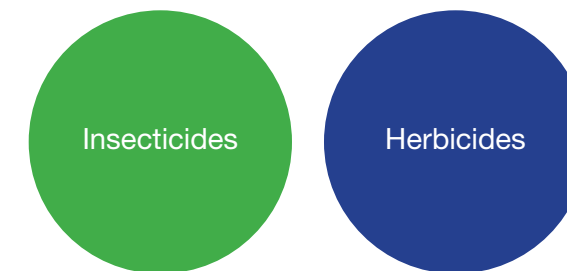
Total capacity

### Manufacturing facilities



### Product range:

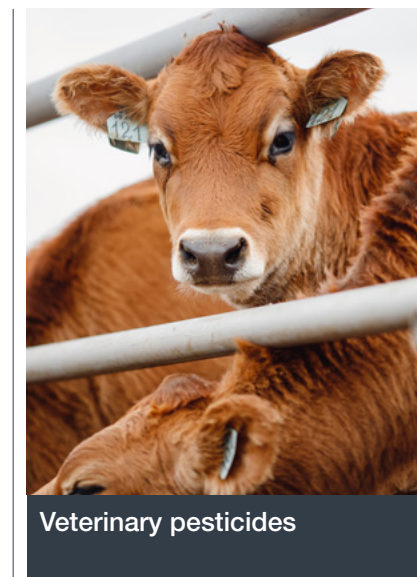
We manufacture intermediates, technical and formulation for the following product range:



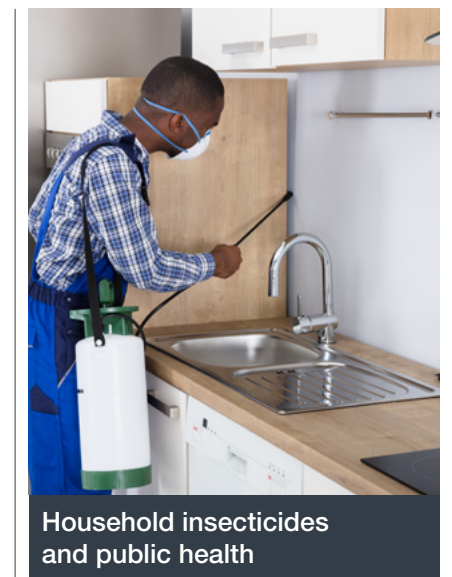
### Applications



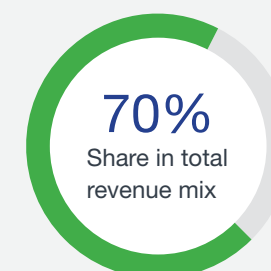
MOL has a basket of products under insecticides, herbicides, plant growth regulator, seed treatment as well as speciality pest management



MOL provides products used by animal health companies that serve animal health owners, livestock farmers and veterinarians.



MOL has a strong presence in controlling of pest management. It extends its presence by offering products for household insecticides and public health products



**39,991 MT**  
Total production in FY22

**₹1738.5 Crores**  
Net sales





## Our product portfolio

Continued

### Pigments

We are one of the largest manufacturers of Phthalocyanine-based pigments with 14% global market share and is among the top 3 (capacity wise) global players. We serve end-user industries mainly in the areas of printing inks, paints and coatings, and plastics and have a global customer base spanning 75 countries.

### Manufacturing facilities

We have three pigment manufacturing facilities at Vatva, Panoli and Dahej in the state of Gujarat



**33,180 TPA**  
Total capacity



### Product range

We manufacture wide range of the following products:



### Applications



Exclusively designed pigments suitable for paste inks and liquid inks (Flexo and Gravure). 'Meghfast Pigments' also exhibit good flow transparency, gloss and high colour strength.



'Meghfast Pigments' exhibits good performance in Decorative, Industrial and Automotive with lasting durability as well as good environmental performance.



Meghfast Pigments are specially designed for good performance in Polyolefins, Engineering polymers, PVC and Rubber with good dispersion and excellent heat stability





Think through tomorrow

## Creating a sustainable business for the long-term

### Expanding our footprint

While we continue increasing our export business, we are also building a stronger market for our products in domestic markets. We aspire to grow by 16-18% in next 3 to 4 years.



### Diversifying the product portfolio

With sustainable growth in mind, we are looking at pigments beyond Phthalocyanine Pigment Blue and Green. The management team, with our proficient R&D team, have ventured into developing the new and profitable white pigment titanium dioxide (TiO<sub>2</sub>). The production of TiO<sub>2</sub> will be completed in two phases. The first phase will be commissioned by FY23 with 16500 TPA with Capital outlay of ₹ 275 Cr, including ₹ 132 Cr spent on acquiring Kilburn Chemicals Ltd. While the second phase will be commissioned by FY24, up to 33000 TPA with an additional Capital outlay of ₹ 325 Cr. The new facility is estimated to contribute ₹ 700 to 750 Crores to the topline.

This will open up growth opportunities in existing markets and new geographies too. The strategic location of our plants to ports and highway will bring additional operational efficiencies and strengthen profitability.

**₹ 700-750 Crores**

Estimated contribution by new products on full year of Operations



### Enhancing capacities

To meet the growing agrochemicals demand in the domestic and global market, we doubled the capacity of 2,4D to 21,600 MTPA and built a new formulation plant. A new multi-purpose facility at Dahej is expected to be commissioned in FY23 with capital outlay of ₹ 350 Crores.

This facility is projected to contribute a total revenue of ₹ 600 Crores on full year of Operations.

Phase-II expansion in Agro division will be announced in due course.

**₹ 600 Crores**

Contribution to revenue by this facility on full year of Operations



### Emerging industry opportunities

Both AgroChem as well as Pigment industries are poised for sustainable growth for the next foreseeable 5-7 years time span. The China plus one factors strengthens this premise.

Limited arable land coupled with increasing use of Crop protections chemicals for better yield.

Preference for Indian Chemical Manufacturers against China in the Global Market.



### Robust financials

Meghmani has strong balance sheet with the RoCE of 19% and ROE of 24%. The Company generates healthy free cash flow, translating into improved leverage ratios i.e. Debt Equity of 0.34 and long term debt/ EBITDA of 0.72 as on March 31, 2022. With Strong business model and efficient

Working capital management has led to significant improvement in net working capital cycle to 76 days as on March 31, 2022 compared to 113 days as on March 31, 2021.



## Emerging stronger

“

Amid the volatile circumstances, raw material fluctuations, commodity inflation and supply disruptions, our company exhibited a stellar growth in terms of revenue and profitability.

₹ 308 Crores

PAT  
in the financial year 2022



“

The Chairman has been bestowed upon Lala Shriram National Award for Leadership in Chemical Industry for the year 2021 by Indian Institute of Chemical Engineers (IICChE).

”

*Dear Shareholders,*

As the world along with the economy recovers from the effects of the waning pandemic, humanity is once again at crossroads. The rising geopolitical tension in Europe between Russia and Ukraine alongwith the ensuing sanctions upon Russia is opening up a Pandora's Box of supply chain issues, demand supply gap, fuel and commodity price hikes.

Amid the volatile circumstances, raw material fluctuations, commodity inflation and supply disruptions, our company exhibited a stellar growth in terms of revenue and profitability. This was achieved through higher capacity utilization along with improvement in volume and realization from the pigment and Agrochemical business. The rise in other income and decline in finance costs also contributed towards further improving the company's results.

Global challenges and impediments we faced only proved to be testimonials to the salience and resilience of our company. Deriving insights from the pandemic struck precedent year, we maintained copious amounts of cash balances and a strong liquidity profile as evidenced by our strong balance sheet.

### Financial Performance

In the Fiscal year 2022, the company's revenue grew by an impressive 53.6% to ₹ 2494 Crores compared to 1623 Crores in the previous year. Profitability also witnessed significant growth due to better capacity utilization and operational efficiencies. PAT was up by 66.5% to ₹ 308 Crores against ₹ 185 Crores in the financial year 2021.

On the Balance Sheet front, at the end of the fiscal year 2022, the Company's

₹ 2494 Crores

Revenue  
in the financial year 2022

“

In India, Agriculture accounts for a fifth of the gross value added and more than half the population engages in agricultural and related activities.

Debt-Equity ratio stood at 0.34. The improvement is Debt to equity ratio was achieved through strong free cash flow generation leading to debt repayment. The company's annualized ROCE and ROE return ratios came in strongly at 19% and 24%, respectively. Our working capital cycle has also improved significantly from 113 days in the last financial year to 76 days in 2022

### Ethics and transparency

While achieving company objectives and maximising stakeholders' value, we stayed true to the ethical values that our organisation is founded upon. Our businesses and their operations continue to remain entirely transparent.

### Segmental Performance

With revenue of ₹ 1738 Crores, Meghmani Organics' Agrochemical division performed extremely well during the fiscal year 2022. Exports amounted to 82% of total sales. EBITDA for the year was ₹ 351 Crores, with an EBITDA margin of 20%.

The pigment division had a revenue of ₹ 756 Crores. Unfavourable market circumstances, commodity price inflation and exceptional increase in logistic costs due to global supply chain disruptions resulted in a slight dip in EBITDA to ₹ 70 Crores in the fiscal.

### Industry outlook

The epidemic slowed market development in the short term, but also sparked renewed interest in food security and sustainable agricultural production. For customers and businesses, there is a new found importance associated to sustainability and environment conservation. Following Covid, there was a shift in consumer preferences toward vegetarian foods, which boosted agricultural yields and boosted the agrochemical business.

In India, Agriculture accounts for a fifth of the gross value added and more than half the population engages in agricultural and related activities. Growth in agricultural products like fertilizers are bolstered by a favourable policy environment. In the financial year 2022, an estimated 330 LMT of fertilizers were produced in India. The agrochemical industry is expected to sustain its steady growth at a CAGR of 9.3% until 2025.

According to Fortune Business Insights, the worldwide dyes and pigments market is expected to grow at a CAGR



“

Diversification of our existing products is expected to further drive our growth in overall margin profile and return ratios. We are poised to achieve our ₹ 3000 Crores target ahead of our timeline of Fiscal Year 2024.

“

With capex commitment of ₹ ~750 Crores spread in next three years, we aspires to achieve revenue of ₹ ~4000 Crores and EBITDA of ₹ ~675 Crores by Fiscal Year 2025.

of 4.9 per cent from 2016 to 2026, reaching USD 54.64 billion. A major growth driver will be the rising demand for ink for a variety of applications.

From 2021 to 2028, the worldwide titanium dioxide market is predicted to develop at a compound annual growth rate (CAGR) of 6.0 per cent. The usage of the material as pigments in paints and coatings formulations is expected to fuel market expansion in the coming years. The automotive industry’s continued development, particularly in light cars, has resulted in increased paint and coatings consumption, which is likely to boost TiO2 demand.

Outlook

Your Company has diversified into new white pigment titanium dioxide (TiO2) by acquiring Kilburn Chemicals Limited, which provides significant scope for our growth aspirations in our pigments segment. The capacity of the existing facility of 16500 TPA will be doubled to 33000 TPA by Fiscal Year 2024 with total capital outlay of ₹ 600 Crores and will contribute ₹ 700 to 750 Crores to the topline on full year of operations.

The expansion of the paint segment in India is expected to drive the demand for Titanium oxide. Owing to high logistics and utility costs in import/export from US, Europe and other markets, we aspire to cater to the domestic demand initially and then expand into other geographies.

In the agro segment, your Company will continue to stick to backwards integration that ensures lower dependency on raw materials from China. Furthermore, the capacity of

2,4D is doubled to 21,600 MTPA and commissioned a new formulation plant in Fiscal Year 2021, which has significantly contributed to the topline

in Fiscal Year 2022. A new multi-purpose facility at Dahej is expected to be commissioned in Fiscal Year 2023 with capital outlay of ₹ ~350 Crores. This facility is projected to contribute a total revenue of ₹ ~600 Crores on full year of Operations.

Your Company is working on next phase of expansion in Agro division, which will be announced in due course of time.

We are poised to achieve our ₹ 3000 Crores target well ahead of our timeline of Fiscal Year 2024. While existing production will amount to a significant portion of this growth, the majority contribution is expected to come our novel products. Your Company has ambitious business expansion plans with capex commitment of ₹ ~750 Crores spread in next three years funded by a mix of internal accruals and a low cost debt and aspires to achieve revenue of ₹ ~4000 Crores and EBITDA of ₹ ~675 Crores by Fiscal Year 2025.

The stellar performance exhibited amid challenging circumstances is a testimony to the resilience and diligence of our team and employees.

I wouldn’t miss this opportunity to show my gratitude to all the employees for their continuous effort in driving the growth of our organization and attaining company objectives while providing value to our stakeholders.

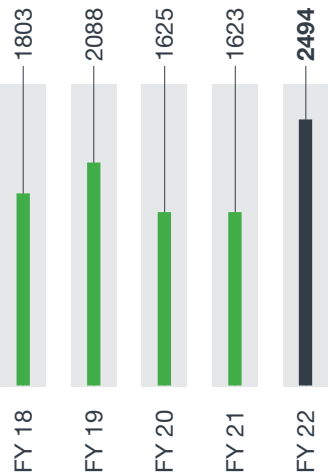
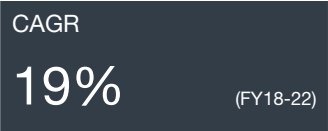
I also take it upon myself to show my gratitude towards all stakeholders for their unwavering support and trust towards the company.

Regards

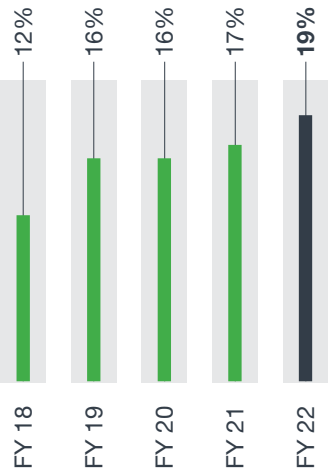
Jayanti Patel  
Executive Chairman

Delivering on  
our promises

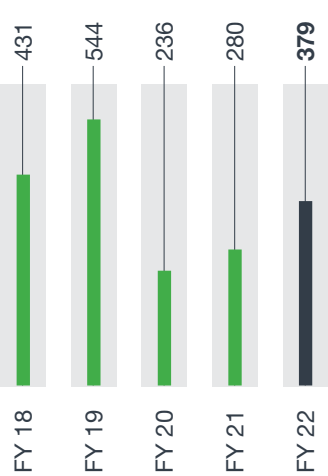
Revenues  
(INR Crores)



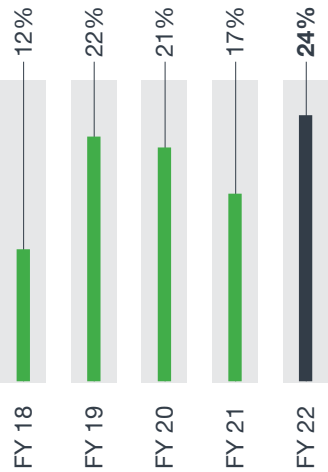
ROCE  
(%)



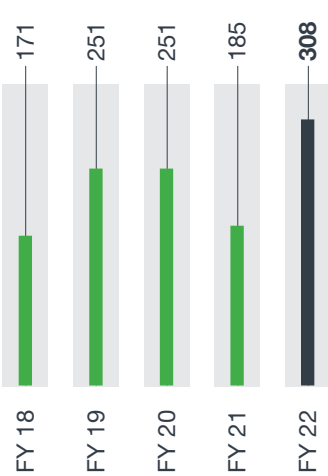
EBITDA  
(INR Crores)



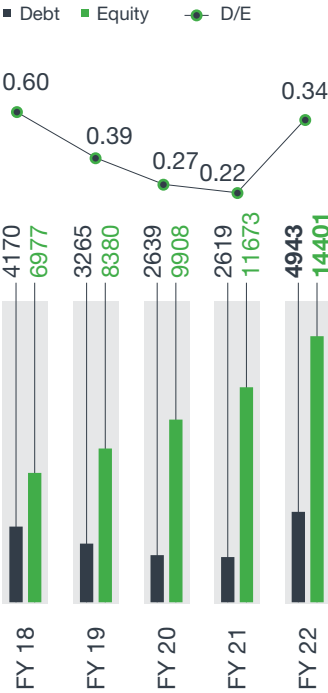
ROE  
(%)



PAT  
(INR Crores)



Leverage analysis  
(INR Crores)





## Our ESG commitments

# Balancing sustainability priorities

At Meghmani Organics, we aim to create value for all our stakeholders not only through our products but by striking a balance between our sustainability priorities and our business. Initiatives that have a positive impact on people and the environment, while also enriching the lives of our stakeholders, is intrinsic to our business.

### Social

We strive to uplift the communities in which we operate through our various social initiatives. Our CSR initiatives are focused around health, education, social infrastructure and women empowerment, especially in rural areas. We also strive to ensure upliftment of human rights and build an open, inclusive and diverse workplace.



### Empowering our human asset

We consider our employees integral to our being. Our employees form a community of problem-solvers that help us deliver innovative solutions and optimal customer experience while crafting a sustainable future and transforming industries.

We're committed in fostering a culture of inclusion, diversity and continuous learning to ensure every MOL employee is respected, valued and encouraged to make their fullest contribution.

We take proactive efforts to strengthen our EHS Management System. To provide a safe and healthy workplace and a clean

environment for both employees and the surrounding community, we are introducing modern systems, hardware, and enhancing systems. Accreditations in ISO 14001 and ISO18001 are demonstration of our commitment towards EHS.

Process safety is extremely important in the agrochemicals industry. We ensure highest safety standards. As a proactive precaution, we've begun documenting and investigating 'Process Safety Near Misses'. Company is also pursuing for "Responsible Care" logo for safety standards.

MOL believes that by investing in activities to enhance employee engagement, we can increase the productivity and work quality and retain top talent.

Employees play a vital part in establishing a company culture. Our employees' competencies and well-being have a direct impact on our operational performance and the workplace culture.

We initiated a monthly evaluation of employee involvement in safety to engage employees actively in the EHS system. Each department is ranked according to predetermined criteria. This system enhances compliance, process safety management, risk mitigation, and skill development.

Structured Management Review Meetings for EHS reviews are also critical, and they're becoming significant drivers in increasing site leaders' involvement. For quarterly evaluations, we use 40+ leading indicators and 13+ lagging indicators, which have begun to yield outcomes.

1,952

Employees

### Employee engagement

Employee engagement has become one of the most important indicators of work satisfaction. It helps to increase productivity and quality of work as well as aids in retaining top talent. We organise various employee engagement activities including inter-plant cricket tournament, women cricket tournament, Celebration of International Women's Day, Safety Day Republic Day, blood donation camps, Meghmani talk serious inviting employees and their family members, health awareness sessions, vaccination camps, and Diwali celebration. A family library is also available at the plant site.

### Training and development

We are committed to enhance knowledge and leadership quotient of our employees through constant training and development. Refresher training for existing employees hones the skills required to ensure smooth operations. Scope of training programmes mainly covers refresher training on plant safety, process safety, emergency response, first aid, on job training and behaviour-based

training. We also conduct training on environment, health and safety (EHS) and technical knowhow.

12 hours

Average training hours per person

90%

Employees trained



### CSR Initiatives

We at Meghmani believe that the overall development of communities is of paramount importance. Therefore, we work towards assisting communities with their social and economic well-being. Our projects are designed to improve the lives of many people by empowering them and assisting them in achieving a higher standard of living. Our major focus areas include preventive healthcare, education, women empowerment, environment awareness

and promoting rural sports. These have helped us contribute towards the society in a positive way and strengthen our relationships with our costumers and the community.





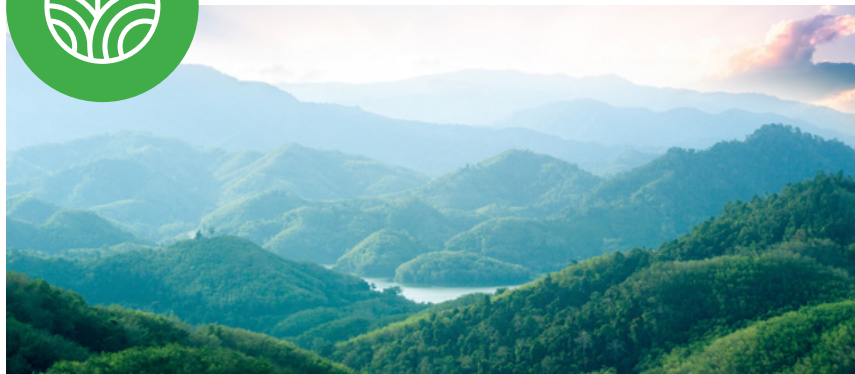
## Our ESG commitments

Continued

### Environment

Climate change is a significant challenge that the world faces. We are consistently moving towards adopting and implementing projects based on innovative production technologies that are more sustainable. We have taken proper control measures in addressing issues of climate change, pollution management, and emission control.

In addition to GHG emissions, we keep a close eye on our key air emissions, such as SO<sub>x</sub>, NO<sub>x</sub>, and Particulate Matters (PM). To ensure ambient air quality, all of our factories adhere to the National Ambient Air Quality Standards (NAAQS) and also have the essential controls in place to keep emissions under acceptable limits. We have installed Continuous Emissions Monitoring System (CEMS), to keep a check on our emissions. The CEMS collects data continuously and is more exact than off-line monitoring.



We are constantly endeavouring to reduce our energy consumption in an effort to reduce our carbon footprint. We have erected four wind turbine generators in order to lessen its reliance on other energy sources and move toward green energy. The majority of our workplaces have LED lighting, making them extremely energy efficient. We, in support of the Ministry of Corporate Affairs' 'Green initiative', use electronic methods to send documents to limit our paper usage.

## 8 Lakhs units

Reduction in energy consumption

## 23%

Energy sourced from renewable source

### Water conservation

Water is one of the most essential components of our activities. We have taken a strategic operational measures to handle water-related concerns. We've developed a holistic approach to water management, which includes water conservation activities and water recycling operations.

- 1) steam condensed recycling
- 2) usage of sewage treated water for developing green belt
- 3) recycling of water for usage
- 4) assisting to community in rain water harvesting



### Effluent/waste water management

We strive towards reducing waste and reusing treated water at different stages of our operations. We have taken a strategic approach to limiting wastewater discharge at our manufacturing locations, as part of our efforts to improve environmental stewardship. We have installed phenol recovery plant to recover phenol from the waste water thus helps us in reducing cost of raw material. We also recycle water from scrubber and recover 100% of bromine from process water to reduce effluent load.

Additionally, we monitor our wastewater quality on a regular basis to ensure we comply to the statutory requirements of the Central and/or State Pollution Control Boards. Our plants' effluents have no discernible impact on any of the water bodies in our immediate vicinity.



### Biodiversity management

In our journey to be a Company that is responsible and reliable, we try to integrate the principles of biodiversity to address ecological concerns.

Our efforts to manage ecosystems and biodiversity contribute to the UN's Sustainable Development Goals of 'protecting, restoring, and promoting' the sustainable use of terrestrial ecosystems, sustainable forest management, combating desertification, halting and reversing land degradation, and halting biodiversity loss. By substantial tree planting in our working surroundings, we participate in and foster the community's green development programme.



### Governance

We believe an effective corporate governance system empowers us to create a culture of integrity, leading to sustainable and ethical business operations. Thus, we are committed to maintain high standards of Corporate Governance in conducting our business and ensure that an effective self-regulatory mechanism exists to protect the interest of various stakeholders. We assure this through regular monitoring of policies, establishing of a culture that promotes ethical code of conduct and timely communicating about various key policies to our employees. Our endeavour is achieve excellence at all fronts of operations and strive to conduct our business in a transparent and ethical way.



## Building capacity for sustainable innovation

Our commitment to deliver superior quality products comes from our relentless efforts to develop innovative solutions.

Relying on advanced technology and cutting-edge processes, we continue to enhance our product offerings. With our state-of-the-art research and development (R&D) facilities and various sophisticated analytical instruments, we are well-positioned to deliver quality products to global markets. To strengthen our R&D, we conduct regular training and evaluation.

### Focus areas

New product and process development	Formulation and development
Impurities synthesis and characterisation	CIB & overseas registration activities



~35  
R&D team members

3  
Patents

**DSIR** (Department of  
Science and Industrial research)  
Approved lab

GLP and 'Norms on  
OECD Principles'  
Accredited by  
NGCMA India

### New product development

With the growing use of agrochemicals, we continuously innovate to develop new products. In addition, we are also working on process development of new products and cost reduction in existing process.

We have generated an isolated process related to impurities for all newly developed products. We extract and identify product-related impurities in our in-house lab.



### Global Indian company of the year

PMFAI (The Pesticides Manufacturers & Formulators Association of India) bestowed to us the prestigious accolade "THE GLOBAL INDIAN COMPANY OF THE YEAR". PMFAI praised and recognised our efforts for our successes and contributions to the Indian agrochemical industry as well as the international market. The

Pesticide Manufacturers, Formulators, and Merchants Association of India (PMFAI) is the apex body for around 250 pesticide manufacturers, formulators, and traders in India. Almost all crop protection products with potential in India are manufactured, formulated, sold, and distributed by PMFAI member

companies. PMFAI collaborates with a number of scientific and social-justice organisations, as well as a number of pesticide associations around the world. We also attended the 16th INTERNATIONAL CROP-SCIENCE CONFERENCE & EXHIBITION, where we presented our findings.

### Best CSR Company by Gov. of Gujarat

In the recent past, we were involved in a plethora of CSR activities to serve the underserved communities. We donated ventilators to various hospitals, conducted mega blood donation camp, donation of mortuary van to Sadvichar Parivaar and many more. Our in-house magazine "Arjan" has complete details of the CSR activities undertaken by us during the year. Our CSR activities are aligned with our core value of 'quick and

positive response to the call of the society'. Our social initiatives have been well accepted and recognised by the society and the government. The Chief Minister of Gujarat, Shri Vijaybhai Rupani appreciated and awarded us for our social activities. We were also declared as the Best Company for our CSR activities.

Spent

**INR 2.48 Crores**

upon CSR activities for  
FY 21-22

### Four Star Export house status to MOL

Meghmani Organics Ltd. has been accorded the Status of "Four Star export House" by the Ministry of Commerce and Industry, Govt. of India.

Recognizing the business house as "Status Holder" by the Central government Authorities is in a way a big achievement.

Normally it is granted to the Conglomerates, who have excelled in International Trade and have successfully & constantly contributed enormously to the Country's Foreign Trade.

Exporters are categorized as Status Holders upon achieving export performance during Current and previous three financial years on the basis of FOB value of exports earned in free foreign exchange.

There are certain business priorities and privileges under Foreign Trade Policy which are eligible to Status Holders.





## Awards & achievements

Continued



MOL was awarded **'The Global Indian Company of the Year'** by PMFAI for its remarkable contributions to the Indian Agrochemical industry.



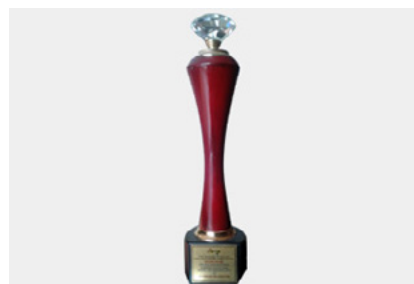
MOL was declared the **'Best Company in CSR activities'** by the Hon'ble CM of Gujarat



Valuable Partner & Outstanding Camp Organizer



GDMA Life Time Achievement Award 2019



GDMA Second Award



GDMA Highest



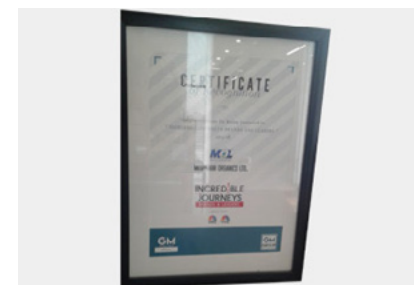
FICCI Chemicals and Petrochemicals Awards 2018



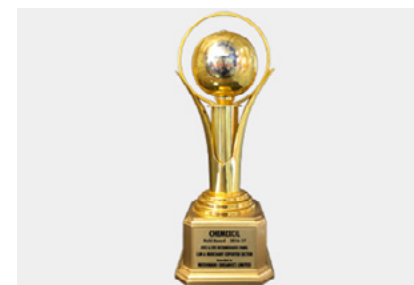
ET Enterprise



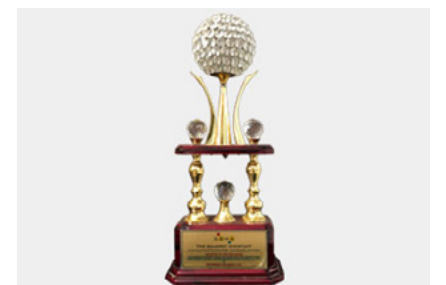
CONCOR



CNBC



Chemexcil Gold Award 2016-17



GDMA Exporter of the Year Award



HAT-TRICK of GDMA Awards by MOL



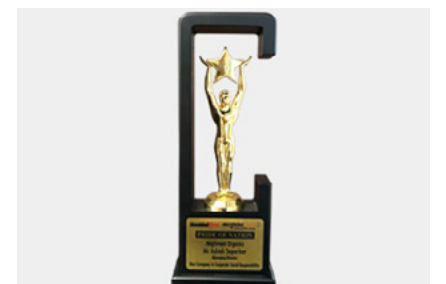
Safety Award



GDMA Award 2014-2015



Life Time Achievement Award to CMD & Gold Award to ...



Pride of Nation



## Board of Directors



**Mr. Jayanti Patel**  
Executive Chairman

- 47 yrs of experience
- Overseas international marketing
- B.E (Chemical)



**Mr. Ashish Soparkar**  
Managing Director

- 46 yrs of experience
- Overseas corporate affairs & finance
- B.E (Chemical)



**Mr. Natwarlal Patel**  
Managing Director

- 45 yrs of experience
- Overseas technical matters & marketing in Agrochemical division
- MSc degree



**Mr. Ramesh Patel**  
Executive Director

- 44 yrs of experience
- Overseas purchasing function & liaisons with govt. / regulatory bodies
- B.A degree



**Mr. Anand Patel**  
Executive Director

- 35 yrs of experience
- Overseas pigments marketing, manufacturing
- BSc degree

## The Second Generation in Charge of Business Operations



**Mr. Ankit Patel**  
CEO

- More than 12 yrs of experience
- Executive Director at MFL
- M.S. (Engg Management) from Australia & MBA from Singapore



**Mr. Darshan Patel**  
COO (Pigments)

- More than 10 yrs of experience
- Executive Director at MFL
- Heads Pigments
- M.S. (Engg Management) from Australia and MBA from USA



**Mr. Karana Patel**  
COO (Agrochemicals)

- More than 12 yrs of experience
- Executive Director at MFL
- Heads Operations, Projects & procurement
- Diploma (Chemical), B.E. (Chemical) from USA

## The Independent Directors



**Mr. Manubhai K. Patel**  
Independent Directors

He is a Chartered Accountants with more than 37 years of experience in the field of Forex, Treasury and Credit Management. He is on board of various companies i.e. GVFL Trustee Company P. Ltd, Dial for Health Unity Ltd, ACME Diet Care P. Ltd, Clintha Research Ltd, Vytal Healthcare P. Ltd



**Prof. (Dr.) Ganapati Yadav**  
Independent Directors

He is a Padmashri Awardee, by President of India. He has recently retired from the position of Vice Chancellor of Institute of Chemical Technology (ICT). With numerous honours and distinctions for his contributions to green chemistry and engineering, catalysis science and engineering, chemical reaction engineering, nanotechnology and energy engineering, he has authored over 300 original research papers in 51 cross-disciplinary international peer-reviewed journals. He is independent director on the board of Aarti Industries, Godrej Industries Ltd, Bhageria Industries Ltd and Clean science and Technology Ltd.



**Ms. Urvashi D Shah**  
Independent Directors

She holds Bachelor of Arts (BA) Degree with Economics and having First class First rank of Gujarat University. She is practicing with Income Tax appellate Tribunal since last 15 years.



**Mr. Bhaskar Rao\***  
Independent Directors

He is resident in Singapore. Mr. Rao holds Post Graduate Diploma in Management (Indian Institute of Management, Calcutta). Presently, Mr. Rao is an Independent consultant in the field of finance, legal and commercial partnerships. He has worked with some of the world's biggest organizations like Unisys, Bristol Myers Squibb, Sara Lee, Samsung, Compaq, New Zealand Milk, and Motorola.



**Mr. C S Liew\***  
Independent Directors

He is resident in Singapore, is B.S. in Agronomy & Pest Management from Iowa State University, USA (High Scholarship Student) in 1979. He has also obtained Diploma in Marketing from Institute of Marketing, UK through self-study in 1986. Mr. Liew has 11 years of experience of heading Singapore Representative Office of Uniroyal Chemical Co. Inc., (renamed Chemtura). Mr. Liew was holding position of Director and Regional Manager of Nufarm (Asia) Pte Ltd, a wholly-owned subsidiary of Nufarm Ltd., Australia. He is Managing Director of Pacific Agriscience Pte Ltd.

\* ceased to be a director w.e.f. May 5, 2022

\* ceased to be a director w.e.f. May 5, 2022





Corporate information

Board of directors

<div><b>Mr. Jayanti Patel</b> Executive Chairman</div>	<div><b>Mr. Anand Patel</b> Executive Director</div>	<div><b>Mr. Bhaskar Rao</b> Independent Director Upto May 4, 2022</div>
<div><b>Mr. Ashish Soparkar</b> Managing Director</div>	<div><b>Ms. Urvashi Shah</b> Independent Director</div>	<div><b>Mr. C. S. Liew</b> Independent Director Upto May 4, 2022</div>
<div><b>Mr. Natwarlal Patel</b> Managing Director</div>	<div><b>Mr. Manubhai Patel</b> Independent Director</div>	
<div><b>Mr. Ramesh Patel</b> Executive Director</div>	<div><b>Prof.(Dr.) Ganapati Yadav</b> Independent Director</div>	

Audit committee

Mr. Manubhai Patel  
Chairman

Prof.(Dr.) Ganapati Yadav  
Member

Ms. Urvashi Shah  
Member

Nomination & remuneration committee

Mr. Manubhai Patel  
Chairman

Prof.(Dr.) Ganapati Yadav  
Member

Ms. Urvashi Shah  
Member

Stakeholders Relationship committee

Mr. Manubhai Patel  
Chairman

Ms. Urvashi Shah  
Member

Mr. Ashish Soparkar  
Member

Corporate social responsibility committee

Mr. Manubhai Patel  
Chairman

Mr. Jayanti Patel  
Member

Mr. Ashish Soparkar  
Member

Mr. Natwarlal Patel  
Member

Risk management committee

Recently constituted on May 2, 2022

Mr. Manubhai Patel  
Chairman

Mr. Jayanti Patel  
Member

Mr. Ashish Soparkar  
Member

Mr. Natwarlal Patel  
Member

Chief executive officer

Mr. Ankit Patel

Chief financial officer

Mr. G S Chahal

Company secretary

Mr. Jayesh Patel

Registrar & share transfer agent

Link Intime India Private Limited  
C 101, 247 Park,  
L. B. S. Marg, Vikhroli (West),  
Mumbai - 400083.  
Tel: +91 22 4918 6270  
Fax: +91 22 4918 6060

Registered & corporate office

1<sup>st</sup> to 3<sup>rd</sup> Floor, Meghmani House, Near  
Raj Bunglow, Near Safal Profitaire,  
Prahlad Nagar, Satellite,  
Ahmedabad – 380015, Gujarat, India  
Telephone No. 91-79-2970 9600/  
7176 1000  
Fax No. 91-79-2970 9605  
Website: www.meghmani.com  
E-mail: ir@meghmani.com  
CIN: L24299GJ2019PLC110321

Plant locations

<div><b>Pigment Green Division</b></div> <p>Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445 Telephone No. 91-9979882209 E-mail : helpdesk@meghmani.com</p>	<div><b>Pigment Blue Division</b></div> <p>Plot No. 21,21/1, G.I.D.C. Panoli, District: - Bharuch Telephone No. 91-9879606337/38/39 E-mail : helpdesk@meghmani.com</p>	<div><b>Pigment Blue Division</b></div> <p>Plot No. Z-31, Z-32, Dahej SEZ Limited, - Dahej Taluka :- Vagra, District :- Bharuch Telephone No. 91-9099960742, 9099958371 E-mail : helpdesk@meghmani.com</p>
<div><b>Agro Division – I</b></div> <p><b>R &amp; D Centre</b> Plot No. 402,403,404 &amp; 452, Village Chharodi, Taluka Sanand, District :- Ahmedabad Telephone No. 91-987960330 E-mail : helpdesk@meghmani.com</p>	<div><b>Agro Division – II</b></div> <p>5001/B, G.I.D.C. Ankleshwar, District:- Bharuch Telephone No. 91-2646-222971 E-mail : helpdesk@meghmani.com</p>	<div><b>Agro Division – III</b></div> <p>Plot No - Ch-1+2/A GIDC Dahej, Dahej Taluka – Vagra , District: - Bharuch -392130 Telephone No. 91-2641-291017 E-mail : helpdesk@meghmani.com</p>
<div><b>Agro Division – IV</b></div> <p>Plot No. 22/2, G.I.D.C. Panoli, District: - Bharuch Telephone No. 91-6359605548 E-mail : helpdesk@meghmani.com</p>		

Principal bankers

**State Bank of India**  
Overseas Branch, 1st Floor, ISKCON  
Elegance,  
Near Shapath V, Prahlad Nagar Cross  
Roads  
Ahmedabad - 380015, Gujarat, India

**State Bank of India**  
29 Hoveniersstraat,  
2018 Antwerp,  
Belgium.

**ICICI Bank Limited**  
JMC House, Opposite Parimal  
Gardens,  
Ambawadi, Ahmedabad-380006,  
Gujarat, India

**HDFC Bank Limited**  
Corporate Banking, 3rd Floor HDFC  
Bank House,  
Opp Jain Dersar, Navrangpura,  
Ahmedabad-380009, Gujarat, India

**Axis Bank Limited**  
Corporate Banking Branch, 2nd Floor,  
Third Eye One  
Near Panchvati Crossing, C G Road,  
Ahmedabad – 380009, Gujarat, India

**DBS Bank India Limited**  
19th Floor, Express Towers,  
Nariman Point,  
Mumbai – 400021, Maharashtra, India

Statutory auditor

S R B C & CO. LLP  
Chartered Accountant  
21st floor, B Wing, Privilon,  
Ambli BRT Road, Behind Isckon  
Temple, Off. S.G. highway,  
Ahmedabad – 380059

Internal auditor

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



# Management Discussion and Analysis



## Global economic review

Global Economy saw a tremendous improvement in business environment in CY 2021 compared to the total lockdown in CY2020. According to the IMF, global economic output had a growth of 6.1% in CY2021. Rapid vaccine rollouts have boosted the global economy while lowering the health burden.<sup>1</sup>

Global trade has seen an uptick as the global economy slowly gets back on track. For goods trade, the recovery has been swift. But growth momentum slowed considerably by the end of CY21 in large economies like China, the European Union (EU), and the United States (US), as the effects of fiscal and monetary stimuli evaporated and major supply chain disruptions emerged.

Innovative digital solutions have enabled economic transformation

around the world and put the global economy on a path towards green, resilient, and inclusive growth. The digital drive offers an opportunity to strengthen social protection systems, health and education services. Private and public investment in digital solutions ensured critical services to the low-income groups, created jobs, strengthened small and medium businesses, enabled trade and services, and built resilience to shocks.

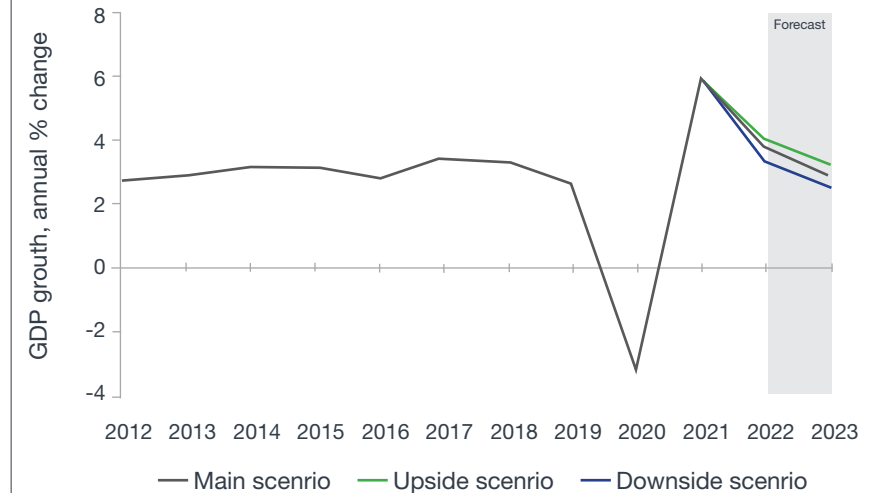
## Outlook

The global growth is expected at 3.6% in CY22 and CY23. Investment is projected to contribute appreciably to global growth especially in advanced economies. The Russia-Ukraine conflicts have dented the global growth prospects and imposed inflationary pressure as they account for a large share of global energy exports, as well as exports of range of metals, food staples,

and agricultural inputs. Assuming inflation expectations stay anchored, inflation should gradually decrease as supply-demand imbalances wane and monetary policy in major economies responds.

Monetary policy is expected to gradually tighten in advanced economies as long-term asset purchases are expected to slow down. In emerging market and developing economies (EMDEs) monetary policy support is assumed to be withdrawn at a faster pace. Additional fiscal support in advanced economies and the continued rapid adoption of digital technologies could help sustain a more robust global economic recovery than projected.<sup>2</sup>

Chart 1 : World GDP growth under three Scenarios



Source : World Bank, KPMG projections using NiGEM.

## Indian economic review

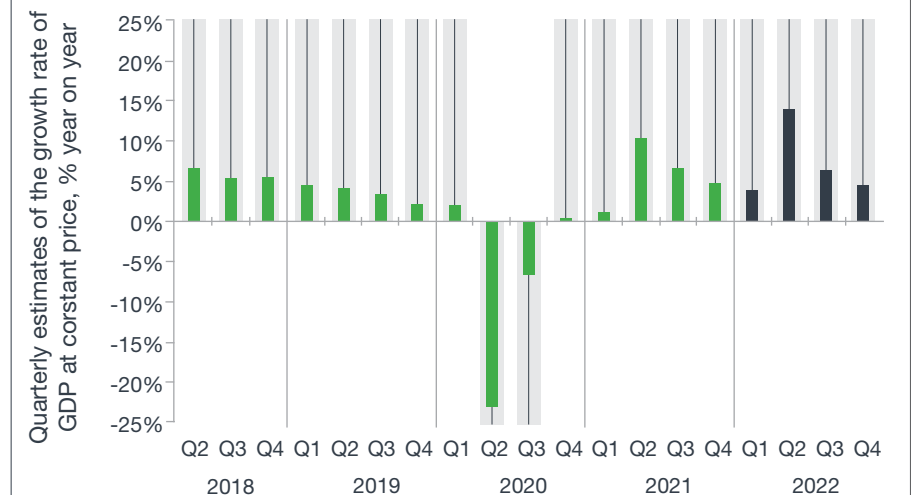
Indian Economy saw a strong growth momentum with an estimated growth rate of 8.9% in FY22. This was on the account of a positive business environment, robust industrial output and rapid vaccination coverage.<sup>3</sup> Total consumption is forecasted to rise by 7.0 %, in 2021-22,<sup>4</sup> with significant contributions from government expenditure. Similarly, Gross Fixed Capital Formation has surpassed pre-pandemic levels as a result of increasing public infrastructure expenditure. Both goods and service exports have been very robust so far in 2021-22, while imports have rebounded significantly as a result of increasing local demand and higher international commodity prices.

The industrial sector expanded by 22.9 percent in the first half of 2021-22 compared to the same period in the previous fiscal year, and it is

expected to grow by 11.8 percent this fiscal year.<sup>5</sup> This growth has been aided by improved consumer demand, sustained government policy assistance for industries in the shape of the AtmaNirbhar Bharat

Abhiyan and a robust vaccination drive. The Reserve Bank of India's Monetary Policy Committee (MPC) maintained an accommodative stance in order to achieve economic growth while keeping inflation under control.

Quarterly estimates of GDP



Source: Survey of Professional Forecasters, RBI and National Statistical Office

<sup>2</sup> IMF World Economy Outlook – April 2022

<sup>3</sup> RBI Bulletin April 2022

<sup>4</sup> Indian Economic Survey 2021-22

<sup>5</sup> [https://static.investindia.gov.in/s3fs-public/2022-02/Economic%20Survey%20Complete%20PDF\\_0.pdf](https://static.investindia.gov.in/s3fs-public/2022-02/Economic%20Survey%20Complete%20PDF_0.pdf)

<sup>1</sup> IMF World Economy Outlook – April 2022



# Management Discussion and Analysis

Continued

## Outlook

Indian economy is expected to continue its positive growth trajectory with GDP growth rates of 7.2% and 6.3% in FY23 and FY24 respectively.<sup>6</sup> There are multiple factors like climate-related challenges, new Covid variants, and the ongoing issues of poverty and healthcare but the underlying economic fundamentals of India are strong.

RBI’s monetary policies and government initiatives such as Product Linked Incentives (PLI), National Monetisation Plan (NMP), PM Gati Shakti – National Master Plan are set to aid the growth of the economy. The geopolitical tensions are expected to wane over time. Consequently, businesses and investors will be able to focus on the growth potential of the country’s economy.

## Global crop protection industry

### Overview

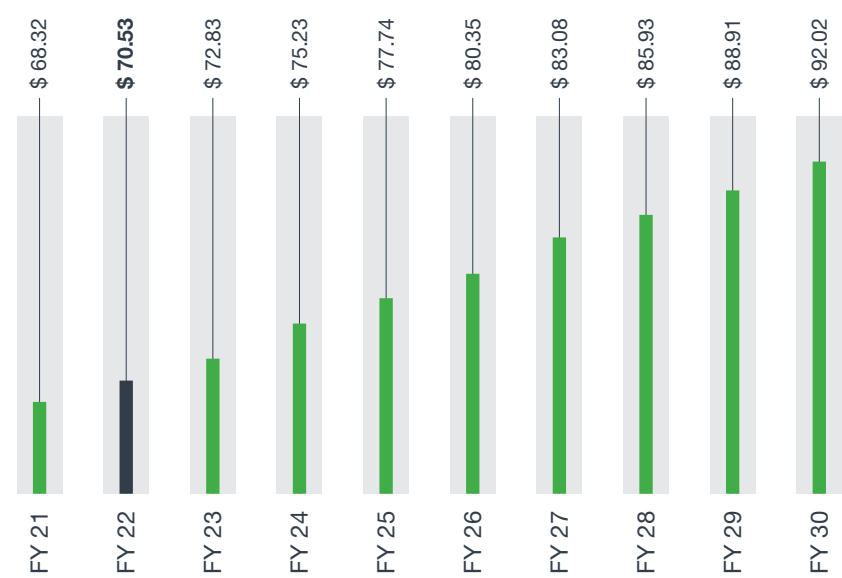
Crop protection chemicals are a type of pesticide that are used to protect crops against insects and pests. Crop protection chemicals are an important part of the chemical industry. Many crops would suffer significant losses if they did not exist.

The crop protection chemicals market was valued at \$68.32 billion in 2021 and is predicted to reach \$92.02 billion by 2030, growing at a compound annual growth rate (CAGR) of 3.4 percent from 2021 to 2030.<sup>7</sup> The market growth is dependent on pest attacks, crop yields, and agriculturists’ awareness levels and

capacity to buy products depending on their availability of credit. Increasing demand for insecticides across the globe is also a major factor driving the market growth.<sup>8</sup>

The crop protection industry has been transforming over the years, with robust growth and changing crop mix trends

Crop protection chemicals market size, 2021 to 2030 (USD Billion)



Source: Crop Protection Chemicals Market Size, Trends, Report 2022-2030 (precedenceresearch.com)

## Sustainability

The impact of the pandemic propelled the industry towards sustainability and environmental solutions such as biologicals. The pandemic had a short-term effect on the market growth but led to increasing interest in food security and sustainable crop production. The agrochemicals industry and R&D institutions, governments, and farmers across the globe are the major stakeholders

and environmental regulations. Growing population, declining arable land, food security, trends of people shifting to vegetarian food and the need for augmented agricultural productivity are the significant factors driving the demand for higher agricultural output, thus boosting the growth of the crop protection industry globally.

that contribute towards making agrochemical usage sustainable. The major objectives of sustainable usage of agrochemicals should mainly be focused on minimising the adverse impact of agrochemicals through changes in products, practices, technology or policy while maximising output. With the advancement in technology, interventions that encourage sustainability across lab-to- land value chain of agrochemicals should be encouraged.<sup>9</sup>

## Industry Drivers

The key factors of driving the agrochemical industry are:

- i. With the growing population there is an increase in the need to fulfil the demand for food sufficiency and food security. This continues to drive the growth of agrochemicals industry.
- ii. With fewer arable acres per capita, agrochemicals is becoming more important in maximising farmer yields; arable land is projected to shrink from half an acre per person now to less than one-third of an acre per person by 2050.
- iii. Plant diseases and pests have become more common as a result of changing environmental conditions. Also, climate fluctuations have a substantial impact on crop productivity.

Source: <https://ficci.in/spdocument/23527/report1.pdf>

### Indian agrochemical industry

The agrochemical industry in India is an essential part of the Indian economy with more than 80,000 goods available for downstream industries such as automotive, textiles, pharmaceuticals, personal care, construction and engineering, food production and processing, and so on. Agriculture accounts for 20.2% of India’s gross value added (GVA).

An estimated 54.6% of the population is engaged in agriculture and allied activities. The actual production of all major fertilisers during FY22 was 330.84 LMT. A favourable policy environment enabling investments in the public, cooperative, and

<sup>10</sup> <https://fert.nic.in/sites/default/files/2020-082022-03/Final-AR-2022-DOF-22.pdf>  
<sup>11</sup> FICCI (<https://ficci.in/sector-details.asp?sectorid=7>)



private sectors has aided the fast expansion of fertiliser production in the nation.

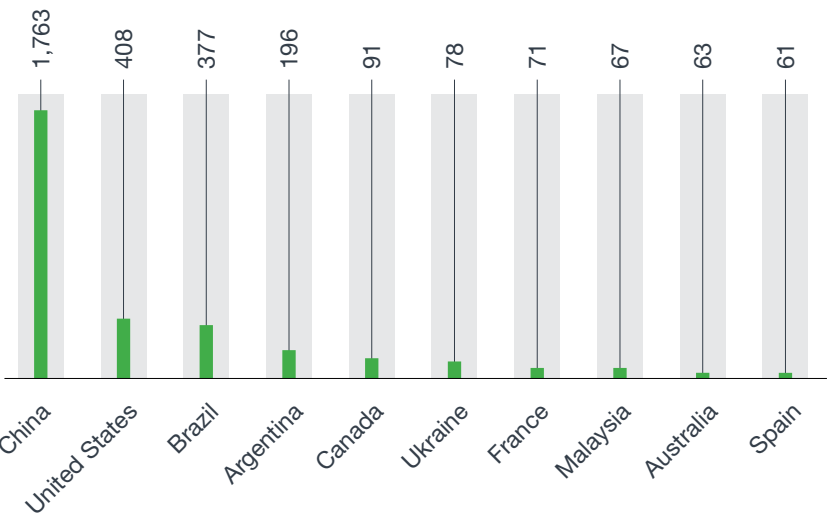
The Indian agrochemical sector has risen at an annual rate of 7.6% over the last six years. The Indian agrochemical market is expected to develop at a CAGR of 9.3% until

2025, with specialty chemicals growing at a CAGR of more than 12%.<sup>11</sup>

330.84 LMT

actual production of major fertilisers in FY22

Top countries by pesticide use (thousand tonnes)



<sup>6</sup> [https://www.rbi.org.in/Scripts/BS\\_ViewBulletin.aspx?Id=20931](https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=20931)  
<sup>7</sup> Crop Protection Chemicals Market Size, Trends, Report 2022-2030 (precedenceresearch.com)  
<sup>8</sup> <https://www.grandviewresearch.com/industry-analysis/agrochemicals-market>  
<sup>9</sup> <https://ficci.in/spdocument/23527/report1.pdf>



# Management Discussion and Analysis

Continued

Although the Pandemic has affected the economy in all walks of life, the Indian agrochemical industry is considered to be one of the industries which has successfully fought the wrath of the pandemic. It has overcome supply chain issues; demand pattern shifts and the financial crisis. Agrochemicals have

contributed to India's economic growth both directly through industrial expansion and indirectly through advances in agricultural production.

Agrochemical production and export have expanded dramatically in the recent decade, and this trend is expected to continue.

- Both the government and industry are working on a digital platform to disseminate information to farmers about weather conditions, rainfall, and other factors that will help them plan for the next farming season. The platform will also have information on how to use agriculture inputs and other topics that will help the country's food productivity.<sup>12</sup>

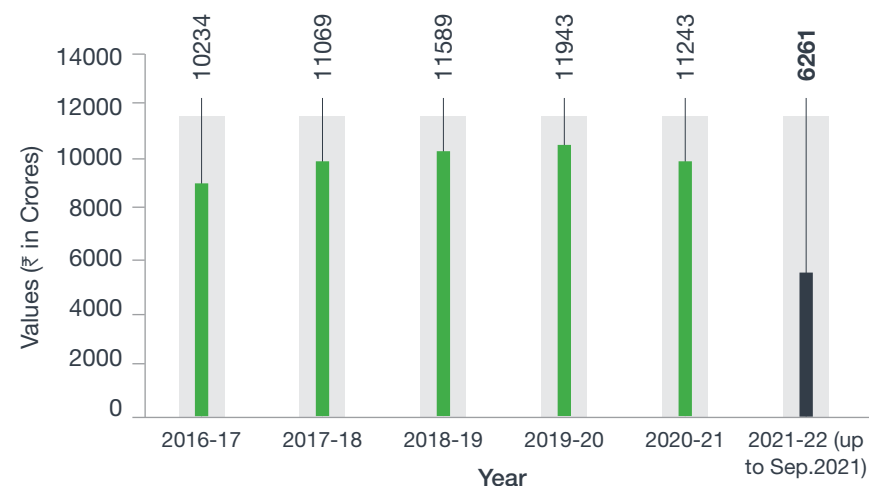
## Outlook

The industry and policymakers are expected to work in the direction of bringing newer technologies, enhancing manufacturing infrastructure, and creating proper policy environment to help improve productivity as well as foreign investment in the country in order to increase the share of agrochemicals in the GDP of the country by utilising the huge untapped market still available within India. The agrochemical sector is expected to emerge as a major global supply hub.

To obtain a competitive edge, agrochemical companies will increasingly focus on incorporating next-generation formulations into their R&D capabilities and product mix.<sup>13</sup>



Trends in Production data of Major Chemicals



Source: <https://chemicals.nic.in/sites/default/files/Annual%20Report%202022%20Date%2017-2-2022%20final%20LOW.pdf>

## Major industry trends

- The focus of the Government of India is on research and innovation in line with the Make in India and Atmanirbhar Bharat initiatives. To make India a global hub for agrochemical product manufacturing, the government and industry have begun investing extensively in research and development to produce new generation compounds, isomers and manufacturing processes, green chemistry products, innovative combinations and solo formulations.

- The Indian government has established a number of Petroleum, Chemical and Petrochemical Investment Regions (PCPIR) zones across the country, with all necessary facilities and policy support to boost the manufacturing of various chemicals, such as agrochemicals, petroleum, and petrochemical goods. These facilities can be used by the industry to design and commission units for the production of technical grade products with complete backward integration, reducing reliance on imports.

<sup>12</sup> <https://news.agropages.com/News/NewsDetail---41622.htm#:~:text=The%20Indian%20agrochemicals%20industry%20is,is%20around%20USD%203.00%20billion>

<sup>13</sup> <https://krishijagran.com/featured/agrochemicals-industry-seeks-enhanced-government-support-for-make-in-india-in-2022/>

<sup>14</sup> <https://www.globenewswire.com/news-release/2022/02/28/2393219/0/en/Dyes-and-Pigments-Market-to-Reach-54-64-Billion-by-2026-Industry-CAGR-4-9.html>



## Pigment industry

The global dyes and pigments market size is projected to reach USD 54.64 billion by 2026, exhibiting a CAGR of 4.9% during the prediction period. Increasing demand for ink for diverse applications will be a central growth driver.<sup>14</sup>

The raw materials are processed to produce dyes that are plant-based, animal-based, and mineral-based, along with pigments such as carotenoids, anthocyanins, betalains, quercetin, chlorophyll, and phycocyanin, which are widely used in applications such as printing inks, textiles, food and beverages, cosmetics, and others.

The global titanium dioxide market size was valued at USD 17.19 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 6.0% from 2021 to 2028. Over the next few years, the use of the substance as pigments in paints and coatings formulations is predicted to drive market growth.

Progressive expansion in the automotive sector, particularly in lightweight vehicles, has resulted in increasing paint and coatings usage, which is expected to enhance TiO<sub>2</sub> demand.<sup>15</sup>

### India pigments industry

The Indian Dyes and Pigments market is anticipated to grow at a substantial CAGR of 11% during the prediction period. The growing demand for dyes and pigments in India is driven by an increase in demand for organic pigments which are widely produced in India, accounting for around 58% of total pigment output.<sup>16</sup>

## Company overview

Meghmani Organics Limited is one of the leading diversified chemicals company with a strong product pool. The Company manufactures pigments and agrochemicals in India and focuses on delivering quality products backed by innovation. The Company operates 6 facilities in

Gujarat, 3 major facilities for pigments and agrochemicals each. With a presence in over 75 countries and a portfolio of over 400 customers, the company has established a pan-India presence and a global footprint. R&D center accredited with the GLP-certificate of OECD-GLP from National GLP Compliance Monitoring Authority (NGCMA), Department of Science and Technology, Government of India which is run by a team of professionals. It assists the company in improving the processes and introducing a newer range of pesticides to fulfil the demands of global consumers.

The Company specialises in green and blue pigments which have a wide range of usage in printing inks, paints, coatings and polymers. The Company has a new product category of Titanium Dioxide which represents an important diversification from the existing phthalocyanine and base segments. The majority of the Company's pigments are exported which account for over 80% of the total income.

<sup>15</sup> <https://www.grandviewresearch.com/industry-analysis/titanium-dioxide-industry>

<sup>16</sup> <https://www.globenewswire.com/news-release/2021/12/24/2357666/28124/en/Indian-Dyes-Pigments-Market-Growth-and-Forecasts-2021-2027-by-Type-and-Application.html>



# Management Discussion and Analysis

Continued

## Business Overview and Performance

● **Agrochemical business**

Meghmani has developed itself as a prominent vertically integrated Agrochemicals manufacturer in India, having a presence throughout the value chain. Meghmani's major products include 2,4D, Cypermethrin, Bifenthrin, Permethrin and Profenophos. The Company has a significant pan-India presence in branded formulations, with over 3000 channel partners. The Company also has global presence across Africa, Brazil, Latin America, US and Europe.

Its primary agrochemical brands include Megastar, Megacyper, Megaban, Synergy, Courage, Correct, and Mega Claim.

The Company has three state of the art vertically integrated manufacturing facilities located at GIDC Ankleshwar, (6,840 MTPA), GIDC Panoli, (13,500 MTPA), Dahej, (30,720 MTPA).

The production of agrochemicals increased from 27,898 MT in FY21 to 39,991 MT in FY22. Net sales of agrochemical also increased to ₹ 17,384 million from ₹ 10,451million in FY21 and EBITDA for the fiscal year was ₹ 3,507 million, with an EBITDA margin of 20.0%.

### Net Sales and Exports over the years

Years	Net Sales (₹ Mn)	Export (%)
FY 2018	6,423	67%
FY 2019	7,905	74%
FY 2020	9,734	79%
FY 2021	10,451	79%
FY 2022	17,384	87%

● **Pigment segment**

With a 14 percent global market share, Meghmani is one of the top three pigment makers of phthalocyanine-based pigments. The company has vertically integrated facilities that produce CPC Blue (an upstream commodity marketed to other Pigment makers) as well as end products i.e. Pigment Green and Pigment Blue. These Pigments are used in a variety of applications, including paints, polymers, and printing inks.

During FY22, the Company purchased Kilburn Chemicals Ltd., thereby fast-tracking its entry into the new pigment-Titanium Dioxide market (TiO2). The factory is situated in Dahej, Gujarat, and its current Titanium Dioxide (TiO2) manufacturing capacity is 16,500 metric tonnes per year (MTPA).

The company has a global presence in over 70 countries, with a subsidiary in the United States and a representative office in China, which assists in maintaining a front-end presence as well as

the capacity to interact directly with end user clients. Meghmani has three dedicated manufacturing facilities for Pigments products at GIDC Vatva, Ahmedabad, GIDC Panoli, near Ankleshwar and Dahej SEZ.

In FY22, Meghmani's pigment division net sales were ₹ 7,555 million. In FY22, EBITDA totalled ₹ 703 million, with an EBITDA margin of 9.3%.

### Net Sales and Exports over the years

Years	Net Sales (₹ Mn)	Export (%)
FY 2018	5,877	79%
FY 2019	6,048	81%
FY 2020	6,406	77%
FY 2021	5,784	78%
FY 2022	7,555	82%



## Financial Performance

The Company's revenue grew by 53.6% to ₹ 24940 million aided by higher capacity utilization along with improvement in volume & realisation

from Pigment and Agrochemicals business. Profit after Tax (PAT) increased by 66.5% to ₹ 3080 million against ₹ 1850 million in FY 21. Despite challenges due to raw

material price volatility and the global supply chain, the Company's EBITDA grew from ₹ 2,799 million to ₹ 3,794 million, an increase of 35.5% on YoY basis.

Particulars	FY 2022 (₹ in Mn)	FY 2021 (₹ in Mn)	YOY%
Net Sales	24,940	16234	53.6%
EBITDA	3,794	2799	35.5%
PBT	4124	2493	65.4%
PAT	3080	1850	66.5%

Ratio	31-Mar-22	31-Mar-21	% change	Reason for variance above 25% year on year
Debt-Equity Ratio	0.35	0.23	51.01%	There is increase in Debt equity ratio on account of increase in long term debt taken for funding new capacity expansion projects and increase in short term borrowings for working capital requirements.
Debt Service Coverage Ratio	2.92	4.72	-38.06%	There is a decrease in Debt service coverage ratio on account of increase in Working capital demand loans and increase in principal repayments on account of new loans obtained during the year
Return on Equity Ratio	0.24	0.17	37.22%	There is a improvement in return on equity ratio on account of increase in Net profit for the year
Trade Receivables Turnover Ratio	5.26	3.73	40.74%	There is a Improvement in Trade receivable turnover ratio on account of better realisation and higher turnover.
Net Capital Turnover Ratio	6.06	4.34	39.71%	There is increase in Net capital turnover ratio on account of higher turnover and better working capital management.
Return on Investment	5.8%	1.4%	327.22%	There is improvement in the return on investment on account of dividend income on RPS. Pursuant to the Scheme of arrangement investment in OCRPS was converted in Investment in RPS where on account of change in terms dividend payment was made cumulative and accordingly accrued for the year.

## Outlook

The company's goal is to constantly endeavour to create sustainable position as one of the leading diversified chemical company. The Company has set a revenue target of ₹ 4000 crores by FY25, ₹ 1500 crore in Pigment division and ₹ 2500 crore for Agrochemical division. India's

chemical industry is at an inflection point thanks to the multinational companies opting 'China plus one' strategy. The Company foresees huge untapped growth potential for India's chemical industry and strives to bank on the growth opportunities by remaining committed to maximize its return on investment and create value for its esteemed stakeholders.





# Management Discussion and Analysis

Continued

## Key risks and concerns

Meghmani mitigates its key risks across all levels of business operations by structuring and continuously identifying, assessing, deciding and executing the planned course of action.

The following are major threats, among others:

- **Unfavourable weather conditions**

The agrochemical industry is highly dependent on weather conditions. The uneven rainfalls affect the overall business.

**Mitigation:** The Company's presence across geographies, both in domestic and international markets helps spread business evenly, not restricting to any single market.

- **Exchange and interest rates**

The Company's global presence results in profits being impacted due to exchange and interest rates fluctuations.

**Mitigation:** The Company has a strong forex management policy, hedging volatility in foreign currencies, and ensuring profitability.

- **Fluctuations in Raw Material Prices**

The changes and fluctuations in raw material prices due to geopolitical tensions, supply chain disruptions, inflation etc. can be a challenge to growth of the Company.

**Mitigation:** Meghmani adheres to backward and forward integration, prudent procurement, rapid after-sales support, technical competence, quality control measures, logistical facilities, and strong customer connections. Client's loyalty is enhanced by the company's high level of product personalisation, constant quality, and stringent compliance.

- **Changes in government policies**

The Company's presence in multiple geographies exposes it to several compliance framework that it has to follow. Any policy change in any of the countries might also result in loss of revenue.

**Mitigation:** Meghmani has de-risked business model which reduces its dependency on any single country for selling its multiple products.

## Internal control system

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

## Human Capital

The Company believes that employees are the foundation for the superstructure of any corporate organisation. The Company considers its employees as its most significant asset and provides them with a healthy and competitive work

environment to excel and set new standards of quality, productivity, efficiency and customer satisfaction. The Company's consistent HR policies aid in attracting and retaining the best talent pool.

The details of number of employees as on March 31, 2022 are given in Business Responsibility Report which is annexed with the Directors' Report.

## Cautionary Statement

Certain statements in the Management Discussion and Analysis may be statements of the Company's beliefs, plans and expectations about the future and other forward-looking statements that are based on management's current expectations or beliefs.

It factors in a number of assumptions about the Company's operations and factors beyond the Company's control or third-party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.

Forward-looking statements contained in the Management Discussion and Analysis regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report.



# Directors' Report

Dear Shareholders

Your Board of Directors is pleased to present Third Annual Report of your Company together with Audited Financial Statement of the Company for the Financial Year ended on March 31, 2022.

## FINANCIAL RESULTS

Particulars	(₹ in Lakhs)	
	FY 2021-22	FY 2020-21
Revenue from Operations	2,46,831.09	1,59,840.31
Other Operating Revenue	2,566.06	2,503.97
<b>Total Revenue from Operations</b>	<b>2,49,397.15</b>	<b>1,62,344.28</b>
Other Income	9,623.51	2,471.83
<b>Total Revenue</b>	<b>2,59,020.66</b>	<b>1,64,816.11</b>
Profit Before Finance Cost & Depreciation	47,564.80	30,463.73
Finance Cost	933.29	1,116.18
Depreciation and Amortization Expenses	5,998.91	5,064.52
<b>Profit Before Exceptional Items &amp; Tax</b>	<b>40,632.60</b>	<b>24,283.03</b>
Exceptional Items	(611.14)	(650.00)
<b>Profit Before Tax</b>	<b>41,243.74</b>	<b>24,933.03</b>
Payment and Provision of Current Tax	8,694.95	6,625.00
Deferred Tax Expenses/(Income)	1,751.57	(193.40)
<b>Profit After Tax</b>	<b>30,797.22</b>	<b>18,501.43</b>

## FINANCIAL PERFORMANCE

During the year under review, the revenue from operations of the Company increased to ₹ 2,49,397.15 Lakhs compared to ₹ 1,62,344.28 Lakhs in the previous year, registering a growth of 53.62%. The EBITDA for the year under review increased to ₹ 47,564.80 Lakhs compared to ₹ 30,463.73 Lakhs registering a growth of 56.14%. Your Company has earned Profit After Tax of ₹ 30,797.22 Lakhs compared to previous year of ₹ 18,501.43 Lakhs registering a growth of 66.46%.

## SEGMENT PERFORMANCE

### Agro Chemicals:

During the year under review, the revenue from operations increased to ₹ 1,73,846.39 Lakhs compared to ₹ 1,04,506.08 Lakhs in the previous year, registering a growth of 66.35%. The EBITDA for the year under review increased to ₹ 35,068.47 Lakhs compared to ₹ 23,443.71 Lakhs registering a growth of 49.58%. 87% of revenue in this segment accounted for exports.

### Pigments:

During the year under review, the revenue from operations increased to ₹ 75,550.77 Lakhs compared to ₹ 57,838.19 Lakhs in the previous year, registering a growth of 30.62%. The EBITDA for the year under review decreased to ₹ 7,027.60 Lakhs compared to ₹ 10,453.62 Lakhs which lead to drop of by 35.77%. 82% of revenue in this segment accounted for exports.

## ACQUISITION OF KILBURN CHEMICALS LIMITED

Your Company has acquired Kilburn Chemicals Limited (KCL) through National Company Law Tribunal (NCLT) vide

its order dated December 16, 2021 and KCL became the wholly owned subsidiary of the Company on completion of acquisition. Your Company is one of the largest manufacturers of Phthalocyanine pigment in India and this acquisition would give opportunity to increase its product basket by foray into manufacturing of a bright white pigment, i.e. Titanium Dioxide (TiO<sub>2</sub>) with initial capacity of 16,500 metric tons per annum (MTPA).

The Company anticipates doubling up its Titanium Dioxide (TiO<sub>2</sub>) capacity to 33,000 MTPA by FY2024 by incurring an additional estimated capex of ₹ 325 Crores to be funded by an appropriate mix of internal accruals and debt. Titanium Dioxide (TiO<sub>2</sub>), has multiple industrial applications, including Paints, Plastics, Inks, Dyes, Paper and Cosmetics, etc.

Titanium Dioxide (TiO<sub>2</sub>), an import substitution product, accelerates the Company's growth plans mirroring the Government's 'Make in India' & 'Atmanirbhar Bharat' vision.

## COMPOSITE SCHEME OF ARRANGEMENT & LISTING OF SHARES

The Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench vide its order dated May 3, 2021 (the "Order"), had approved the Scheme of Arrangement ("the Scheme") to demerge the Agrochemicals and Pigments Division of erstwhile Meghmani Organics Limited along with its investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") of Meghmani Finechem Limited (MFL) and transferred to the Company as a going concern. The Scheme had been made effective from May 10, 2021. As an integral part of the Scheme, the name of your Company had been changed from Meghmani Organochem Limited to "Meghmani Organics Limited" vide Certificate of Incorporation pursuant to change of



name issued by the Registrar of Companies, Gujarat on August 3, 2021. The equity shares issued pursuant to the Scheme have been listed on NSE and BSE effective from August 18, 2021.

The Singapore Depository Shares of erstwhile Meghmani Organics Limited (CIN L24110GJ1995PLC024052) were delisted from Singapore Exchange Securities Trading Limited (SGX-ST) with effect from 17 January, 2022.

## COVID-19 PANDEMIC & IMPACT ON OUR BUSINESS

The Company 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 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 statements 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 changes to future economic conditions.

## DIVIDEND

The Board of Directors has recommended a Final Dividend of ₹ 1.40 per equity share (140%) on equity share for the Financial year 2021-22, which if declared at the ensuing Annual General Meeting of the Company, will be paid to the shareholders of the Company. The dividend pay-out for the year under review will be ₹ 3,560.40 Lakhs which is same as in the previous year.

### (A) Dividend Distribution Policy

As per Regulation 43A of the SEBI (LODR) Regulations, 2015, the top 1000 listed companies shall formulate a dividend distribution policy. Accordingly, your Company has formulated and adopted the policy setting out the parameters and circumstances that shall be taken into account by the Board in determining the distribution of dividend to its shareholders and retaining profits earned by the company. A dividend distribution policy as adopted by the Company is available on the website of the Company at [www.meghmani.com](http://www.meghmani.com) in the investor section.

### (B) Transfer to Investor Education and Protection Fund (IEPF) Authority

During the year, unclaimed dividend amount of ₹ 1.97 Lakhs pertaining to FY 2013-14 were transferred to Investor Education & Protection Fund (IEPF) established by the Central Government.

### (C) Transfer of Shares in favour of Investor Education and Protection Fund (IEPF) Authority

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividends have not been claimed for 7 consecutive years were required to be transferred in favour of IEPF authority. Accordingly, the Company has transferred 45,489 Equity Shares in favour of IEPF Authority during Financial Year 2021-22 with this total 1,78,018 Equity Shares have been transferred till FY 2021-22.

## SHARE CAPITAL

### (A) Authorized Share Capital

As per the order of Hon'ble NCLT, Ahmedabad Bench, the Authorised Share Capital representing 11,50,00,000 equity shares of ₹ 1 each of erstwhile Meghmani Organics Limited had been transferred to the Company. The Company has further increased its authorised share capital represented by 25,45,00,000 equity shares of ₹ 1 each and the Present Authorised Capital is ₹ 37,00,00,000/- divided into 37,00,00,000 equity shares of ₹ 1 each.

### (B) Issued and Paid Share Capital

As an integral part of the Scheme of Arrangement,

- The Share Capital amounting to ₹ 5,00,000 stood cancelled automatically and reduced in terms of section 66 of the Companies Act, 2013
- The face value of the equity share of the Company had been sub-divided from ₹ 10 to ₹ 1 each without any further act.
- Issued and allotted 25,43,14,211 equity shares to the shareholders of erstwhile Meghmani Organics Limited whose name appears in the register of members as on the Record Date i.e. May 19, 2021

The Paid up Equity Share Capital of the Company as on March 31, 2022 stands to ₹ 2,543.14 Lakhs.

During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. The Company has not issued any convertible instrument during the year.

No disclosure is required under Section 67(3)(c) of the Companies Act, 2013 in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

## AUDITORS' REPORT

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors in their report on the financial statement of the Company for the Financial Year ended on March 31, 2022 except qualification in clause (ii)(b) of the Companies (Auditor's Report) Order, 2020 on account of disagreement between quarterly statements filed by



the Company with banks and financial institutions and the books of accounts of the Company, which were explained in note no 24 to the Standalone Financial Statements.

## FINANCIAL LIQUIDITY

Cash and Cash equivalent as at March 31, 2022 was ₹ 906.33 Lakhs compared with previous year of ₹ 2,033.87 Lakhs. The Company's working capital management is based on a well-organized process of continuous monitoring and controls on Receivables, Inventories and other parameters.

## CREDIT RATING

CRISIL has reaffirmed Long Term Rating CRISIL AA-/ Stable and Short Term Rating CRISIL A1+ to its total Bank loan facility of ₹ 725.00 Crore by CRISIL Limited (Rating Agency) vide its letter RL/MEGORG/262660/BLR/0121/22353 dated December 08, 2021 issued to the Company.

## UPDATES ON FIRE INSURANCE CLAIM- AGRO-III at DAHEJ In 2019

Your Company had received ₹ 650 Lakhs in the year 2020-21 and received balance ₹ 611.14 Lakhs during the year under review against the Final Claim of material loss of ₹ 1,300 Lakhs of erstwhile Meghmani Organics Limited. The Company has also submitted the Business Interruption claim of around ₹ 600 Lakhs to Surveyor which is under process by the insurance Company.

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2022 is available on the website of the Company at [www.meghmani.com](http://www.meghmani.com) in the investor section.

## BOARD MEETINGS

During the year under review, the Board met five times on May 5, 2021, May 20, 2021, August 10, 2021, October 26, 2021 and February 2, 2022. The compositions of the Board and its attendance have been given in the Report on Corporate Governance which forms part of this Annual Report.

## CONSTITUTION OF COMMITTEES

To comply with the requirements of listing, the Company has constituted the following Committees at the meeting of the Board of Directors held on May 5, 2021:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship committee
4. Corporate Social Responsibility

The Company has also recently constituted Risk management committee as required under Regulation 21 of SEBI (LODR) Regulations, 2016. The details with regard to the composition, its attendance, of reference etc. of above mentioned committees are provided in the Report on Corporate Governance which forms part of this Annual Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## RELATED PARTY TRANSACTIONS (RPT)

All contracts / arrangements / transactions entered into with Related Parties during the year under review were in the ordinary course of business and on an arm's length basis.

During the year under review, there is a Material Related Party Transaction with Meghmani Finechem Limited, in which KMP/their relatives have significant influence amounting to ₹ 184.95 Crores which is equivalent to 11.30% of consolidated turnover as per the last audited financial statements, which were at arm's length basis and approved by the audit committee. The said transaction is being placed before the members for their approval in the ensuing Annual General Meeting. The details of material Related Party Transaction in **Form AOC-2** is appended to this Report as **Annexure-A** which forms integral part of this Report.

## MATERIAL CHANGES

The Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench vide its order dated May 3, 2021 approved the Composite Scheme of Arrangement, which was filed with the office of the Registrar of Companies vide e-form INC 28 on May 10, 2021.

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

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

## CONSOLIDATED FINANCIAL STATEMENT

As on March 31, 2022, the Company has the following five subsidiaries;

Sr. No.	Name of the Subsidiary	Status
1.	Meghmani Organics USA INC. (USA)	Active - Distribution Business
2.	P T Meghmani Organics Indonesia (Indonesia)	Operations Closed - Distribution Business
3.	Meghmani Overseas FZE - Sharjah - Dubai	Operations Closed - Distribution Business
4.	Meghmani Synthesis Limited	Newly Incorporate – yet to start operations
5.	Kilburn Chemicals Limited	Under revamping of manufacturing facilities as per approved Resolution Plan submitted to NCLT.

During the year under review, Kilburn Chemicals Limited became wholly owned subsidiary of the Company. In accordance with the provisions of section 129(3) of the Companies Act, 2013 read with regulation 33 of SEBI (LODR) Regulations, 2015, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. As provided in Section 129(3) of the Companies Act and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the prescribed format AOC-1 is appended to this Report as **Annexure - C**. A policy relating to material subsidiaries as approved by the Board may be accessed on the Company's website in the investor section.

## DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors of the Company comprises of ten directors with combination of five independent and five executive directors.

### (A) DIRECTORS RETIRING BY ROTATION

Mr. Natwarlal Patel and Mr. Ramesh Patel are the Directors retiring by rotation and being eligible have offered themselves for re-appointment. Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 read with Secretarial Standard-2 on General Meeting, brief profile of the Directors re-appointed is appended to the Notice of Annual General Meeting.

### (B) KEY MANAGERIAL PERSONNEL

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

1. Mr. Ankit Patel – Chief Executive Officer (CEO)
2. Mr. Gurjant Singh – Chief Financial Officer (CFO) Chahal
3. Mr. Jayesh Patel – Company Secretary

### (C) CHANGE IN INDEPENDENT DIRECTORS

To comply with the SEBI (LODR) Regulations, 2015, your company has appointed following 5 (Five) Independent Directors w.e.f May 5, 2021.

- 1) Mr. Manubhai Patel
- 2) Prof. (Dr) Ganapati Yadav
- 3) Ms. Urvashi Shah
- 4) Mr. C S Liew and
- 5) Mr. Bhaskar Rao

The term of Mr. C S Liew and Mr. Bhaskar Rao, both independent Directors resident in Singapore came to end on May 4, 2022 and resultantly ceased to be a director of the Company.

### (D) APPOINTMENT OF EXECUTIVE DIRECTORS

The following executive directors have been appointed by the Board of Director which was ratified by the members in Extra-Ordinary General meeting held on May 7, 2021;

Name	Designation	Tenure
Mr. Jayanti Patel	Executive Chairman	5 years from June 1, 2021
Mr. Ashish Soparkar	Managing Director	5 years from June 1, 2021
Mr. Natwarlal Patel	Managing Director	5 years from June 1, 2021
Mr. Ramesh Patel	Executive Director	5 years from June 1, 2021
Mr. Anand Patel	Executive Director	5 years from June 1, 2021

The remuneration payable to Executive Directors includes fixed amount of salary and performance based remuneration which shall be decided by the Board of Directors collectively considering the performance of the Company. The details of remuneration paid to Executive Directors are given in the Corporate Governance Report.

### (E) INDEPENDENT DIRECTORS' DECLARATION OF INDEPENDENCE

The Independent Directors were appointed at the Board meeting held on May 5, 2021 and hold office for a fixed term not exceeding five years and are not liable to retire by rotation. In accordance with Section 149(7) of the Companies Act 2013, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of Independence as mentioned under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed there under.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company continued the social development schemes initiated in previous years. These projects covered the broad thematic areas of Livelihood, Eradication of Poverty, Women Education, Women Empowerment, Support and help to fight Covid-19 Pandemic, Kanya Kelwani Nidhi and Vanvasi Kalyan Yojana that are in compliant with Companies Act 2013. The policy on Corporate Social Responsibility is available on the website of the Company in the investor section.

During the year under review, the Company has spent ₹ 248.47 Lakhs towards CSR activities in accordance with the policy on CSR and unspent CSR amount of ₹ 115.00 Lakhs has been transferred to Unspent CSR account FY2022 on April 29, 2022 in accordance with provisions of Section 135(6) of Companies Act, 2013, which will be utilized in terms of CSR policies of the Company. A detailed Annual Report on CSR activities prepared in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as **Annexure - D** to this report.



## BOARD EVALUATION

The Company has adopted the policy for evaluation of the performance of the Board, its committees and individual directors on May 5, 2021 in accordance with the requirement under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and accordingly evaluation of the performance of the Board and its Committees have been carried out. The brief information on performance evaluation of Board and individual director is provided in Corporate Governance Report which is annexed to this report.

## REMUNERATION POLICY

The Board has adopted a policy for selection and appointment of Directors, Senior Management and their remuneration on May 5, 2021 in order to comply with the requirement under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The brief information about Remuneration Policy is provided in the Corporate Governance Report which is annexed to this report.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted Whistle Blower Policy on May 5, 2021 to deal with instance of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct, if any. Further, the mechanism adopted by the Company encourages the whistleblower to report genuine concerns or grievances and provide for strict confidentiality, adequate safeguards against victimization of whistleblower who avails of such mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee, in appropriate cases. The Whistle Blower Policy is hosted on the website of the Company under investor section.

## RISK MANAGEMENT

The risks are measured, estimated and controlled with the objective to mitigate its adverse impact on the business of the Company. The Company has inherent risk associated with its business apart from credit risk, liquidity risk and market risk. The Company has an effective risk management framework to monitor the risk controls in key business processes. In order to minimize any adverse effects on the bottom line, your Company takes various mitigation measures such as credit controls, foreign exchange forward contracts to hedge foreign currency risk apart from insuring its assets through various insurance policies.

## CORPORATE GOVERNANCE

The Management of the Company ensures to maintain high standards of Corporate Governance in conducting its business and to exist an effective self-regulatory mechanism to protect the interest of various Stakeholders. Your Company has complied with the mandatory requirement specified under SEBI (LODR) Regulations, 2015 and the Report on Corporate Governance for FY2021-22 prepared in accordance with Regulation 34(3) read with Schedule V of the SEBI (LODR), Regulations, 2015 is appended to this Report as **Annexure - E**. The requisite Certificate from Shahs

& Associates, Practicing Company Secretaries, Ahmedabad confirming the compliance with the conditions of corporate governance is appended to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V to the SEBI (LODR) Regulations, 2015, the Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

## BUSINESS RESPONSIBILITY REPORT(BRR)

The SEBI (LODR) Regulations, 2015 mandate the inclusion of the BRR as part of the Annual Report for top 1000 listed entities based on market capitalization. Business Responsibility Reporting for the year under review, as stipulated under Regulation 34 (f) of SEBI (LODR) Regulations, 2015 read with SEBI Circular No: CIR/CFD/CMD/10/2015 dated November 4, 2015 is appended to this Report as **Annexure - F**.

## INSURANCE

The Company's Plant, Property, Equipment and Stocks are adequately insured under the Industrial All Risk Policy. The Company has insurance coverage for Product Liability, Public Liability, Marine coverage and Commercial General Liability (CGL). The Company has Directors' and Officers' Liability Policy (D&OL) to provide coverage against the liabilities arising on them.

## FINANCE:- RENEWAL OF WORKING CAPITAL FACILITY

The Consortium Bank Members have been reconstituted with continuation of State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Axis Bank Limited and DBS India Bank Limited. The Working Capital Credit facilities up to ₹ 40,000 Lakhs has remained unchanged.

## AGROCHEMICAL REGISTRATION

The Company has 685 registration of export (including Co-partner Registrations worldwide) and Central Insecticides Board (CIB), Faridabad. The company has 34 Trade Marks registrations.

## RESEARCH & DEVELOPMENT

Research and Development (R & D) Center of the Company situated at Village Chharodi, Taluka: Sanand, District: Ahmedabad, state of the Art R&D facilities are spread over 5000 sq. feet area with ~35 researchers and scientists and have various sophisticated analytical instruments. R & D Center carries out development of off-patent molecules, improvements in process parameters, time cycle optimization and scale up of new technology from laboratory to production level.

The R&D center accredited with the GLP-certificate of OECD-GLP from National GLP Compliance Monitoring Authority (NGCMA), Department of Science and Technology, Government of India since Oct-2017. Currently

GLP Certificate NO: GLP/C-162/2021 is valid from Oct, 2020 to 2023. Good Laboratory Practice (GLP) refers to a quality system of management controls for research labs to ensure the uniformity, consistency, reliability, reproducibility, quality and integrity of the tests conducted therein.

R&D center helped in developing new products and process of Agrochemical active ingredients and intermediates, generated and isolated process related impurities for all new developed products, which further characterized by IR, Mass, UV in our in-house GLP facility and standardized it for further use in GLP activities. It also helped to increase in CIB & Overseas registration of new products, which benefits to the Company in long term.

The Company has been granted 3 process patents by Indian Patent Authority and filed 1 Patent application which is under consideration.

## ENVIRONMENT

As a responsible corporate citizen and as a chemicals manufacturer environmental safety has been one of the key concerns of the Company. It is the constant endeavor of the Company to strive for compliant of stipulated pollution control norms.

## INDUSTRIAL RELATIONS

The relationship with the workmen and staff remained cordial and harmonious during the year and management received full cooperation from employees.

## PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the Report and Audited Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining a copy of the Annexure may write to the Company Secretary at the registered office of the Company for a copy of it.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act (Act):

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the period ended on March 31, 2022.

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the Annual Accounts on a Going Concern Basis;
- e) The Directors had laid down Internal Financial Controls (IFC) and that such Internal Financial Controls are adequate and have been operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems have been found adequate and operating effectively.

## AUDITORS:-

### (A) INTERNAL AUDITORS

M/s. C N K Khandwala & Associates, Chartered Accountants has been reappointed as Internal Auditor for the Financial Year 2022-23.

The Internal Auditors reports to the Audit Committee of the Board, which helps to maintain its objectivity and independence. The scope and authority of the Internal Audit function is defined by Audit Committee. The Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### (B) STATUTORY AUDITORS

M/s. SRBC & Co LLP, Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E 300003) were appointed as Statutory Auditors on August 4, 2020, to hold office for a period of five consecutive years from the conclusion of 1st Annual General Meeting (AGM) till the conclusion of 5th AGM.

During the year, the Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

The Statutory Auditor's comment on your Company's account for the year ended March 31, 2022 are self-explanatory in nature and do not require any explanation. The Auditors Report does not contain any qualification or adverse remarks except qualification in clause (ii)(b) of the Companies (Auditor's Report) Order, 2020 on account of disagreement between quarterly statements filed by the Company with banks and financial institutions and the books of accounts of the Company, which were explained in note no 24 to the Standalone Financial Statements.

### (C) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Shahs & Associates, a firm of Company Secretaries in Practice



to undertake the Secretarial Audit of the Company for FY 2021-22. The Secretarial Audit Report issued is appended to this report as **Annexure -G**. As there is no qualification, reservation or adverse remark made by the Auditors in their report, the report issued is self-explanatory and need no further clarification.

#### (D) COST-AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost records maintained by the Company in respect of Certain Pigment and Agrochemicals products are required to be audited by a Qualified Cost Accountant and accordingly, M/s. Kiran J Mehta & Co. Cost Accountants, has been appointed as Cost Auditors by the Board of Directors on the recommendation of Audit Committee for audit of cost records for the year ended on March 31, 2022 and their remuneration was ratified by members at the 2nd Annual General meeting held on September 23, 2021. The Cost Audit Report issued by the Cost Auditors for the FY 2020-21 filed with the Central Government in accordance with section 148(6) of Companies Act, 2013 read with rule 6(6) of the Companies (cost records and audit) Rules, 2014.

Your Directors have on the recommendation of the Audit Committee, appointed M/s. Kiran J Mehta & Co. existing Cost Auditors of the Company (Firm Registration number 00025) to audit the Cost records of the Company for the Financial Year 2022-23.

A Resolution seeking ratification of remuneration payable to M/s. Kiran J Mehta & Co., existing Cost Auditors for FY 2022-23, is included in the Notice convening the Annual General Meeting.

#### OTHER DISCLOSURE AND INFORMATION

##### (A) Annual Listing Fee

The Company is listed with National Stock Exchange of India Limited and BSE Limited and paid annual listing fees to both the Stock exchanges for FY 2022-23.

##### (B) Prevention of Sexual Harassment at workplace

As per the requirement of the provisions of the sexual harassment of women at workplace (Prevention,

Prohibition & Redressal) Act, 2013 read with rules made thereunder, the Company has constituted Internal Complaints Committees as per requirement of the Act which are responsible for redressal of complaints relating to sexual harassment against woman at workplace. During the year under review, there were no complaints pertaining to sexual harassment against women.

##### (C) Significant or Material Orders passed by the Authority

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

##### (D) Secretarial Standards Compliance

During the year under review, the Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India and approved by the Central Government pursuant to section 118 of the Companies Act, 2013.

#### ACKNOWLEDGMENT

The Board of Directors places on record their grateful appreciation for the assistance and continued support received from various Central and State Government Departments, Organizations and Agencies involved therein. Your Directors also gratefully acknowledge all stakeholders of the Company viz. Customers, Members, Dealers, Vendors, Banks and other business partners for the excellent support received from them during the year under review. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to achieve goals of the Company.

**For and on behalf of the Board**

**Jayanti Patel**

Executive Chairman

DIN - 00027224

Date: May 2, 2022

Place: Ahmedabad

## Annexure A

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain

- Details of material contracts or arrangement or transactions not at arm's length basis for FY 2021-22 : Nil
- Details of material contracts or arrangement or transactions at arm's length basis for FY 2021-22:

S. No	Name(s) of the party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advance, if any	Date on which ordinary resolution was passed in general meeting as required under first proviso to section 188
1	Meghmani Finechem Limited in which KMP/their relatives have significant influence	Purchase of Caustic, chlorine and others	On-going arrangement	Material terms :- (1) Value of Transaction ₹ 170 Crores for the Financial Year 2021-22 (2) Purchase/Sales/ Transaction or supply of goods or materials will be on order to order basis (3) Purchase/Sales Transaction or supply of goods or materials will be on a continuous basis (4) Purchase/Sales/others will be made at Arm's Length price or prevailing market price as may be mutually decided by the Board of Directors (5) No advance is given for the Purchase/Sales Transaction or supply of goods or materials (6) The Credit period of 30 days is given for payment of Tax Invoice which is at par with the other Customers. (7) Interest @18 % per annum will be charged on the amount remaining unpaid after due date. (8) No complaints in respect of material supplied will be considered unless the same is lodged in writing within 10 days of dispatch along with proof.	(1) At arm's length basis (2) Normal course of business (3) No advance required (4) Supply of chlorine through pipeline so no loss (5) Supply from place adjoining to the plant	May 2, 2022	NA	Approval of members is not required under the CA, 2013 but required under SEBI (LODR) Regulations, 2015 which will be placed before ensuing AGM



S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advance, if any	Date on which ordinary resolution was passed in general meeting as required under first proviso to section 188
2	Meghmani Finechem Limited in which KMP/their relatives have significant influence	Subscription to Compulsory Redeemable Preference Shares(RPS) issued by MFL	20 years tenure from the date of allotment	Material terms :- (1) Value of RPS Amounting to ₹ 210.92 Crores subscribed in FY2018-19 (2) The face value of RPS is ₹ 10 per share (3) Dividend @ 8% p.a. is payable by MFL, amounting to ₹ 15.39 crores every year. (4) Dividend is on cumulative basis (5) MFL shall have right to exercise the option of early redemption (6) RPS shall be redeemed at the face value	(1) At arm's length basis (2) Normal course of business	May 2, 2022	NA	Approval of members is not required under the CA, 2013 but required under SEBI (LODR) Regulations, 2015 which will be placed before ensuing AGM

**For and on behalf of Board of Directors**

**Mr. Jayanti Patel**  
Executive Chairman

Place: Ahmedabad  
Date: May 2, 2022

# Annexure B

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

### [A] Conservation of Energy

#### (i) (a) Steps taken on conservation of energy:

The Company carries out Energy Audit every three year of all manufacturing facilities and implement the worth suggestions to reduce the power consumption. The following major steps, inter alia were taken on conservation of energy.

1. Cable Loss Reduction by PF Improvement at Identified MCC's
2. Replacement of 3 and more times Rewound Motors with IE3 Class Motors
3. Application of Auto voltage Regulator for Lighting MLDB
4. Application of Delta Star Convertor for under Loaded Motors
5. Installation of VFD to reduce power consumption of unload hours for air compressor
6. Performance improvement of water chiller through condenser and evaporator cleaning
7. Flow controlling water pumping system
8. Poor performance (De rating Efficiency) Pump replacement with new Pump set.
9. Refurbishment and installation of new impeller for water pumping system

#### (b) Impact on conservation of energy:

During the year under review, the Company has saved 7.74 Lakhs unit by above mentioned steps on conservation of energy.

#### (ii) The Steps taken by the Company for utilising alternate sources of energy :

The Company has installed 4 Wind Mills to generate 2.1 megawatt power each for captive consumption. During the year under review, the Company has saved ₹ 17.14 Crore by utilizing power generated through Wind Mills.

The Company also use power generated through Solar by entering into power purchase agreement with the third party. During the year under review, the Company has saved ₹ 44.77 Lakhs by utilizing power generated through solar.

#### (iii) The capital investment on energy conservation equipment:

Sr. No.	Particulars
1	The Company has invested ₹ 5,745.44 towards installation of 4 Wind Mills to generate 2.1 megawatt power from each wind mind
2	The Company has also invested ₹ 51.94 Lakhs in various equipment and process to reduce the power consumption in all manufacturing facilities.

### [B] Technology Absorption:

#### (i) Efforts made towards technology absorption:

Generally, the technologies and machineries made in India are being used in the setting up, replacement of deteriorated machineries and new projects.

#### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

Technology absorption beings various benefits to the organisation including but not limited to, product improvement, time and cost reduction

#### (iii) Information regarding technology imported, during the last 3 years: Nil

#### (iv) Expenditure incurred on Research and Development:

(₹ in Lakhs)		
Particulars	FY2022	FY2021
Capital	41.02	7.98
Recurring	319.14	333.23
<b>Total</b>	<b>360.16</b>	<b>341.21</b>

### [C] Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)		
Particulars	FY2021-22	FY2020-21
Foreign Exchange Earnings	1,23,988.52	1,23,988.52
Foreign Exchange Outgo	23,974.18	23,974.18

For and on behalf of the Board

**Jayanti Patel**

Date: May 2, 2022

Place: Ahmedabad

Executive Chairman

DIN - 00027224



# Annexure C

## Statement of Salient Features of Financial Statement of Subsidiaries/Associates as per Section 129 (3) of the Companies Act, 2013

### Part - A Subsidiaries

Name of Subsidiary	Kilburn Chemicals Limited	Meghmani USA INC	P T Meghmani Indonesia	Meghmani Overseas FZE	Meghmani Synthesis Limited
Financial year ended	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Reporting currency	INR	INR	INR	INR	INR
Share Capital	1,215.00	139.70	123.30	4.56	5.00
Reserve & Surplus	15,786.47	804.61	(123.30)	(3.71)	-
Total Assets	20,785.51	2,590.09	-	0.85	5.00
Total Liabilities	3,784.03	1,645.78	-	-	-
Investments	-	-	-	-	-
Turnover/Total Income	0.05	5,305.79	-	-	-
PBT	(541.35)	219.26	-	(1.11)	-
Provision for Tax	-	48.55	-	(0.01)	-
PAT	(541.35)	170.71	-	(1.10)	-
Proposed Dividend	-	-	-	-	-
% of holding	100	100	100	100	100

- Names of subsidiaries which are yet to commence operations-

Name of subsidiary	Status
Kilburn Chemicals Limited	The Company has acquired KCL having a manufacturing unit of Titanium Dioxide (TiO <sub>2</sub> ) situated at Dahej, through NCLT vide its order dated December 16, 2021. The existing manufacturing unit is under process of restoring its existing capacity of 16500 TPA with initial investment of ₹ 275 Crores.
Meghmani Synthesis Limited	It was incorporated on January 29, 2021 and is yet to commence its operations

### Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Name
1. Latest audited Balance Sheet Date	Not Applicable
2. Shares of Associate/Joint Ventures held by the company on the year end No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant Influence	
4. Reason why the associate/joint venture is not consolidated	
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations- Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year- Not Applicable.

# Annexure D

## Annual Report on CSR Activities to be included in the Board's Report for Financial Year 2021-22

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1.	Brief outline on CSR Policy of the Company:	The Company recognizes its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society constantly. The CSR activities, inter alia includes Promoting education, Promoting rural sports, women empowerment, Environment awareness programme, Contribution towards Disaster Management for COVID-19, Promote and Develop infrastructure for health care including preventive health care facilities, community development etc.
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### 2. Composition of CSR Committee:

Sr. No	Name of Director	Designation	No of Meeting held and attended 20.05.2021
1	Mr. Manubhai Patel	Chairman	√
2	Mr. Jayanti Patel	Member	√
3	Mr. Ashish Soparkar	Member	√
4	Mr. Natwarlal Patel	Member	√

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: The CSR Policy of the Company is available at <https://meghmani.com/investors/corporate-governance/Policies>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. : **Not applicable**
- Details of the amount for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **NIL**

Sr. No	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be setoff for the financial year, if any

- Average net profit of the Company as per section 135(5): ₹ **181.19 Crore**
- 2% of average net profit as per section 135(5): ₹ **3.62 Crores**
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Nil**
  - Amount required to be set off for the financial year, if any: **Nil**
  - Total CSR obligation for the financial year(7a+7b+7c): ₹ **3.62 Crore**

### 8. (a) CSR amount spent or unspent for the financial year

Total amount spent for FY 2021-22 (In Crore)	Total amount transferred to unspent CSR account as per S-135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
2.48	1.15	29.04.2022		NA	



## (b) Details of CSR amount spent against ongoing projects for FY 2021-22

Sr. No	Name of Project	Item from the list of activities in Schedule VII to the Act	Local are (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (₹ Lakhs)	Amount spent in FY 2021-22 (₹ Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	Dist.						Name	CSR Registration number.
1	Contribution for promoting education and vocational skills development	Promoting education	Yes	Gujarat	Bharuch	Multiple years	500.00	NIL	115.00	No	Special purpose entity to be incorporated to implement the programme/project	

## (c) Details of CSR amount spent other than ongoing projects for FY 2021-22

Sr. No	Name of Project	Item from the list of activities in Schedule VII to the Act	Local are (Yes/No)	Location of the Project		Amount spent for the project (₹ Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	Dist.			Name	CSR Registration number.
1	Preventive Healthcare including covid19 care activities	Preventive Healthcare	Yes	Gujarat	Various part of Gujarat	144.12	Yes		
2	Women empowerment	Empowering women -III	Yes	Gujarat	Ahmedabad	25.00	Yes		
3	Promoting and increasing Education	Promoting education	Yes	Gujarat	Bharuch	11.00	No	VIDYA BHARATI GUJ.PRADESH	CSR00006412
4	Preventive Healthcare including covid19 care activities	Preventive Healthcare	Yes	Gujarat	Ahmedabad	6.00	No	Gujarat Chamber Foundation	CSR00005767
5	Contribution for promoting education and vocational skill development programme	Education	Yes	Gujarat	Bharuch	1.25	Yes		
6	Contribution for promoting education	Education	Yes	Gujarat	Ahmedabad	14.00	Yes	Shree Annapurnadham Trust	CSR00004051
7	Green Environment / Plantation Programme	Conservation of environment	Yes	Gujarat	Bharuch	5.00	Yes	Rotary Welfare Trust	
8	Green Environment / Plantation Programme	Conservation of environment	Yes	Gujarat	Bharuch	0.51	Yes	Vera Mata Seva Mandal Trust	
9	Environment awareness Programme	Conservation of environment	Yes	Gujarat	Ahmedabad	2.60	Yes	Prakruti & Paryavaran	
10	Healthcare	Healthcare	Yes	Gujarat	Ahmedabad	4.07	Yes	SADVICHAR PARIVAR	CSR00006145
11	Contribution for promoting education and vocational skill development programme	Education	No	UP	Varanasi	21.00	Yes	SWARVED MAHAMANDIR TRUST	CSR00014709
12	Promoting Rural Sports	Rural sports	Yes	Gujarat	Bharuch	5.00	Yes	Bharuch Police Welfare	CSR00020224
13	Promoting Education	Education	No	Maharashtra	Mumbai	1.50	Yes		
14	Livelihood enhancement Project	Livelihood	Yes	Gujarat	Bharuch	0.92	Yes		
15	Healthcare	Healthcare	Yes	Gujarat	Ahmedabad	2.15	Yes	Lions Club of Karnavati Foundation	
16	Promoting Education	Education	Yes	Gujarat	Baruch	4.70	Yes		
					<b>Total</b>	<b>248.83</b>			

(d) Amount spent in administrative overheads : **NIL**(e) Amount spent in Impact Assessment, if applicable: **NIL**(f) Total amount spent for FY 2021-22 (8b+8c+8d+8e) : ₹ **248.13 Lakhs**

(g) Excess amount for set off, if any

Sr. No	Particulars	Amount (₹ In lakhs)
(i)	Tow percent of average net profit of the Company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>NIL</b>

9. (a) Details of unspent CSR amount for the preceding three financial year: **NIL**  
 (b) Details of CSR amount spent in FY2021-22 for ongoing projects of the preceding financial year : **NIL**
10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in the financial year (asset-wise details): **Not applicable**
- (a) Date of creation or acquisition of the capital assets  
 (b) Amount of CSR spent for creation or acquisition of capital assets  
 (c) Details of the entity or public authority or beneficial under whose name such capital asset is registered, their address etc  
 (d) Provide details of the capital assets created or acquired (including complete address and location of the capital assets)
11. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5):** The Company has identified the project of Educational Institute for which special purpose entity shall be incorporated to implement the CSR activities of the Company. The Company has transferred unspent amount of ₹ 115.00 lakhs to unspent CSR account on April 29, 2022 which shall be utilized for the project of Promoting Educations as specified under Schedule VII of Companies Act, 2013.

**Mr. Jayanti Patel**  
 Executive Chairman

**Mr. Manubhai Patel**  
 Chairman – CSR Committee



## Corporate Governance Report

## 1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Management of the Company is committed to maintain high standards of Corporate Governance in conducting its business and ensure that an effective self regulatory mechanism exists to protect the interest of various Stakeholders i.e. Investors, Customers, Suppliers and Government. During the year under review, the Equity Share(s) of the Company was listed effective from 18 August, 2021 on BSE Limited and National Stock Exchange of India Limited pursuant to the Composite Scheme of Arrangement approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its order dated May 3, 2021.

A report on Corporate Governance in accordance with Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") covering Company's compliance with the applicable corporate governance provisions for the financial year ended on **March 31, 2022** as applicable is outlined below.

## 2. BOARD OF DIRECTORS

## a) Composition of the Board

The Company has a balanced and diverse Board of Directors ('the Board'). The Board comprises of an appropriate mix of Executive, Non-Executive and Independent Directors as required under Companies Act, 2013 ('the Act') and Regulation 17 of the SEBI Listing Regulations to maintain the independence of the Board and to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities. The Board of Directors presently comprises of ten directors, out of which five are Non-Executive Directors including one-woman independent director and five are Executive Director, headed by Mr. Jayanti Patel as Executive Chairman. The details of directorship and other details of Directors are set out below;

Name of Director	Category Designation	Age	Date of Initial appointment	Directorship in Listed Company	Membership in Committee				No of Equity shares held
					AC	NRC	CSR	SRC	
Mr. Jayanti Patel	Executive Chairman	70	15.10.2019	Meghmani Organics Limited	–	–	M	–	1,80,24,390
Mr. Ashish Soparkar	Managing Director	69	15.10.2019	Meghmani Organics Limited	–	–	M	M	2,55,40,396
Mr. Natwarlal Patel	Managing Director	68	15.10.2019	Meghmani Organics Limited	–	–	M	–	2,08,97,850
Mr. Ramesh Patel	Executive Director	65	15.10.2019	Meghmani Organics Limited	–	–	–	–	1,59,12,067
Mr. Anand Patel	Executive Director	59	15.10.2019	Meghmani Organics Limited	–	–	–	–	79,43,200
Ms. Urvasi Shah	Independent Director	66	05.05.2021	Meghmani Organics Limited	M	M	–	M	Nil
Mr. Manubhai Patel	Independent Director	71	05.05.2021	Meghmani Organics Limited	C	C	C	C	Nil
				Meghmani Finechem Limited					
Mr. Bhaskar Rao*	Independent Director	63	05.05.2021	Meghmani Organics Limited	–	–	–	–	Nil
Mr. C. S. Liew*	Independent Director	66	05.05.2021	Meghmani Organics Limited	–	–	–	–	Nil
Prof. (Dr.) Ganapati Yadav	Independent Director	69	05.05.2021	Meghmani Organics Limited	M	–	–	–	Nil
				Aarti Industries Limited	M	M	–	–	
				Godrej Industries Limited	M	–	–	–	
				Bhageria Industries Limited	–	–	–	–	
				Clean Science & Technology Limited	M	M	M	–	

\*Ceased to be director w.e.f. 04.05.2022 due to expiry of term as Independent Director.

C means Chairman, M means member

50 **b) Mapping of the Skills, Expertise and Competence among the Directors**

The Board has identified the core skills, Experience and competencies required to carry out the business of the Company effectively and smoothly. The table below summaries the broad list of core skills. Experience and competencies as required in the context of business/sector of the Company and the said skills are available among the members of the Board.

List of core skills. Experience and competencies identified by Board		Name of Director who has such skills/experience/competency
Industry knowledge and experience	Industry knowledge in Pigment, agrochemicals & chemical	All executive Directors, Prof. Ganapati Yadav
Technical, Production, Sales and Marketing	Experience in production, sales and marketing management based on understanding of Pigment and Agrochemicals industry	All Executive Directors Mr. C S Liew
Sourcing of raw materials	Effective sourcing of raw materials and minimum inventory level	All Executive Directors
Leadership	Leadership skills to manage the organization, including but not limited to strategy planning and motivate human resource capital	All Executive Directors Mr. Manubhai Patel
Corporate Finance & Banking operations	Extensive experience of managing banking, finance, taxation, forex and risk mitigation	All Executive Directors Mr. Manubhai Patel Ms. Urvashi Shah – taxation
Governance, Compliance & Legal	Experience in legal, governance, compliance & liaison with government	All Executive Directors Mr. Manubhai Patel

**c) Attendance of Board meetings and AGM**

The Board conducts regular scheduled meetings on a quarterly basis. An ad-hoc meeting is convened as and when circumstances require. The Company in consultation with the Directors prepares the Annual calendar of meetings and circulates a tentative Schedule for the meeting of the Board and Committee in order to facilitate the Directors to plan their schedules. During the financial year ended on March 31, 2022, 5 (five) meetings of the Board of Directors were held and the gap between two meetings has not exceeded 120 days. The details of attendance of the Directors at the Board Meeting held during the year and at Annual General Meeting are given below:

Name	Position	Board Meetings during FY 2021-22					AGM held on
		05.05.2021	20.05.2021	10.08.2021	26.10.2021	02.02.2022	23.09.2021
Mr. Jayanti Patel	Executive Chairman	√	√	√	√	√	√
Mr. Ashish Soparkar	Managing Director	√	√	√	√	√	√
Mr. Natwarlal Patel	Managing Director	√	√	√	√	√	√
Mr. Ramesh Patel	Executive Director	√	√	√	√	√	√
Mr. Anand Patel	Executive Director	√	√	√	√	√	√
Mr. Manubhai Patel	Independent Director	NA	√	√	√	√	√
Ms. Urvashi Shah	Independent director	NA	√	√	√	√	√
Prof (Dr) G D Yadav	Independent Director	NA	√	√	√	√	√
Mr. C S Liew	Independent Director	NA	√	√	√	√	√
Mr. Bhaskar Rao	Independent Director	NA	√	√	√	√	No

**d) Limit on number of Directorship**

None of the Directors of the Company is holding Directorship in more than 10 Public Limited Companies. None of an Independent Directors serve as an Independent Director in more than 7 (Seven) Listed Companies.

None of the Director of the Company is appointed in more than 10 Committees or is acting as Chairman in more than 5 (Five) Committees across all the Companies in which he is a Director.

**e) Independent Director**

Independent Directors play an important role in the governance processes of the Board. They bring with them their expertise and experience for fruitful

discussions and deliberations at the Board. This better the decision-making process at the Board.

The Independent Directors have been appointed for a fixed term of not exceeding 5 (five) years with an option to retire from the office at any time during the term of appointment. Their appointment has been approved by the Members of the Company. The Independent Directors have confirmed that they meet with the criteria of independence laid down under the Act, the Code and SEBI Listing Regulation.

**f) Familiarisation Programme to Independent Directors**

In order to comply with the SEBI Listing Regulation, the Board has appointed five independent directors



including woman independent director and the Company has in place familiarization program for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc.

The Board Members are apprised by the Senior Management at quarterly Board Meetings by way of presentations which include industry outlook, competition update, company overview, operations and financial highlights, regulatory updates, presentations on internal control over financial reporting, succession planning, strategic investment, etc. which not only give an insight to the Directors on the Company and its operations but also allows them an opportunity to interact with the Senior Management. The Directors are also informed of the various developments in the Company in every Board Meeting of the Company.

The Company would also encourage existing directors to attend seminars and trainings to enable them to keep pace with changes of regulatory and financial reporting standards that have a material bearing on the Company and its industry. The policy on familiarization program for Independent Directors are available on the Company's website at <https://www.meghmani.com> in the investor section.

#### **g) Separate Meeting of Independent Director**

The Independent Directors of the Company meet without the presence of other Directors or the Management of the Company. These Meetings are conducted to enable the Independent Directors to, inter-alia, discuss matters pertaining to review of performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the financial year under review, the Independent Directors of the Company met on February 2, 2022, where all Independent Directors remained present.

#### **h) Issuance of Letter of Appointment**

A formal letter of appointment was issued to all Independent Directors.

All newly appointed directors would be provided an induction program on his duties as a director and how to discharge those duties. Briefings would also be provided by management on the Group's history, business operations and corporate governance practices.

#### **i) Performance Evaluation of the Board and Individual Directors**

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board of the Company at its meeting (following the NRC and Independent Director meeting) carried out an annual evaluation of its own performance, performance of its Committees,

the performance and independence of Independent Directors as well as the performance of the Directors individually for financial year 2021-22. The Board also carried out performance evaluation of the Managing Directors, Executive Directors & CEO of the Company.

All Directors of the Company as on February 2, 2022 participated in the evaluation process. The Directors expressed their satisfaction on the parameters of evaluation, the implementation and compliance of the evaluation exercise and the outcome of the evaluation process. The evaluation exercise for the financial year 2021-22 concluded that the transparency and free-flowing discussions at meetings, the adequacy of the Board and its Committee compositions and the frequency of meetings were satisfactory. They concluded that the Board functions in a healthy professional manner.

#### **j) Board's Role**

The Board's role is to:

- (1) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (2) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- (3) identify the key stakeholder groups and recognize that their perceptions affect the Company's reputation;
- (4) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- (5) Consider sustainability issues, e.g. environmental, governance and social factors, as part of its strategic formulations
- (6) review and approve the recommended remuneration framework and packages for the Board and key management personnel;
- (7) review the performance of the Board, set the criteria for selection of directors and to nominate directors for shareholders' approval; and
- (8) Ensure communications with shareholders are accurate, adequate and timely.

To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee etc.

The role and function of each committee is described in subsequent sections in this report. While these committees are delegated with certain responsibilities, the ultimate responsibility for the final decision lies with the entire Board.

All Board Committees are constituted with clear Terms of Reference to assist the Board in discharging its functions and responsibilities.

#### k) Chairman and Managing Director

The Chairman and Managing Director is the different person. The Chairman and Managing Directors have defined responsibilities which, during his tenure so far, have not been conflicted with each other. Major business proposals are discussed at Board meetings before decisions are made.

The Board believes that there is sufficient element of independence and adequate safeguards against a concentration of power in one single person.

The Chairman is responsible to, among others:-

- (a) lead the Board to ensure its effectiveness on all aspects of its role;
- (b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promote a culture of openness and debate at the Board;
- (d) ensure that the directors receive complete, adequate and timely information;
- (e) ensure effective communication with shareholders;
- (f) encourage constructive relations within the Board and between the Board and management;
- (g) facilitate the effective contribution of non-executive directors in particular; and
- (h) promote high standards of corporate governance.

#### l) Agenda for Board Meeting

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

The followings are generally tabled for information, review and approval of the Board.

- Annual Operating Plans & Budgets.
- Quarterly Results and its Operating Divisions or Business Segments.
- Minutes of meetings of Audit Committee and Other Committees of the Board of Directors.
- The information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including Appointment or Removal of Chief Financial Officer and the Company Secretary.
- Show cause, Demand, Prosecution Notices and Penalty Notices, which are materially important.

- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the entity.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- The Board works with management to achieve this objective and the management remains accountable to the Board.

#### m) Post meeting follow-up mechanism

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

#### n) Recording minutes of proceedings of Board and Committee meetings

As per Secretarial Standard 1 (SS-1) issued by The Institute of Company Secretaries of India (ICSI), the Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The Draft minutes are circulated to the members for their comments.

#### o) Compliance Report

While preparing the Agenda adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with the Rules made there under, Secretarial standard issued by ICSI. The Board periodically reviews all statutory compliance reports of all laws applicable to the Company. The Company has installed Legatrix module for better legal compliance & monitoring.



**p) Access to Information**

The Directors have separate and independent access to the Company's management and the Company Secretary at all times. Directors are entitled to request from management and should be provided with such information as needed to make informed decisions in a timely manner. The Board is informed of all material events and transactions as and when they occurred.

Should the Directors, whether individually or collectively, require independent professional advice; such professionals (who will be selected with the approval of the Chairman of the respective Committees requiring such advice) will be appointed at the expenses of the Company.

The Company Secretary attends all the Board and Board Committee meetings and attends to the Corporate Secretarial Administration matters, ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

**q) Relationship between Directors and KMP**

Except Mr. Jayanti Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel who are brothers, none of our Directors are related to each other as per the provisions of Companies Act, 2013.

Further, except Mr. Natwarlal Patel who is father of Ankit Natwarlal Patel, CEO of our Company, none of our Directors are related to any of the Key Managerial Personnel.

**r) Chairman and CEO**

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear separation of the roles and responsibilities of the Chairman and the CEO to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making.

Mr. Jayanti Patel - Executive Chairman, leads the Board to ensure effectiveness of all aspects of its role. The Chairman sets the meeting agenda and ensures that the Directors are provided with complete, adequate and timely information. The Chairman ensures that discussions and deliberations are effective and promote a culture of openness and debate at Board meetings. The Chairman encourages constructive relations within the Board and between the Board and Management.

The Chairman also facilitates the effective contribution of the Non-Executive Directors and promotes high standards of corporate governance.

Mr. Ankit Patel - CEO, is responsible for the day-to-day management affairs. He also executes the strategic plans set out by the Board and ensures that the Directors are regularly kept updated and informed of the Group's business.

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following Committees: –

- (1) Audit Committee (AC).
- (2) Nomination & Remuneration Committee (NRC).
- (3) Shareholders Relationship Committee (SRC).
- (4) Corporate Social Responsibility Committee (CSR).
- (5) Risk Management Committee (RMC)

The terms of reference of the Committees are determined by the Board from time to time. The respective Chairman of the Committees also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are tabled at the respective Committee Meetings. The role, composition, meetings and attendance of these Committees are provided as under;

#### 3.1 AUDIT COMMITTEE

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board. The Committee is governed by regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) 2015. The Committee has full access to financial information.

##### 3.2.1 Terms of Reference

The broad terms of reference of the Audit Committee include the following

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;

- (f) Disclosure of any related party transactions;
- (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;

- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Further, the Audit Committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### 3.2.2 Composition, Meetings and its attendance

During the Financial Year 2021-22, Audit Committee met four times. The Composition of the Committee, date of meetings and its attendance is as under;

Member	Category	Meetings during FY 2021-22			
		20.05.2021	10.08.2021	26.10.2021	02.02.2022
Mr. Manubhai Patel	Chairman - Independent Director	√	√	√	√
Ms. Urvashi Shah	Member – Independent Director	√	√	√	√
Prof. (Dr). Ganapati Yadav	Member – Independent Director	√	√	√	√



The Chief Financial Officer, representative of Statutory Auditors and Internal Auditors, as and when required attend the meetings of Audit Committee from time to time. Mr. Jayesh Patel, Company Secretary, acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee attended the last AGM held on September 23, 2021.

### 3.2.3 Internal Audit Function

The Company has appointed M/s C N K Khandwala & Associates, Chartered Accountants as Internal Auditors, who reports directly to the Chairman of the Audit Committee.

### 3.2.4 Non Audit Services

The Audit Committee has reviewed and confirmed that all non-audit services provided by the auditors have not affected the independence of the auditors.

### 3.2.5 Total fees for all services paid by the Company to the Statutory Auditors is given below:

(₹ in Lakhs)	
M/s. S R B C & Co. LLP	FY 2021-22
Audit Fees	38.73
Other Services	2.95
Reimbursement of Expenses	0.53
<b>Total</b>	<b>42.21</b>

### 3.2.6 Maintenance of Financial Records

Based on reports submitted by the external and internal auditors, the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the management that was in place throughout the financial year and up to date of this report, the Board, with the concurrence of the Audit Committee and assurance of the management (including Chief Executive Officer and Chief Financial Officer) as well as the Internal Auditors, are of the opinion that

- the financial records have been properly maintained and financial statements give a true and fair view of the Company's operations and finances and
- the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at the date of this report.

To ensure the adequacy of the internal audit function, the Audit Committee reviews and approves, on an annual basis, the internal audit plans and the resources required to adequately performing this function.

However, the Board and management acknowledge that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

### 3.2.7 Assurance from CEO AND CFO

The Board has received assurance from Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to ensure that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and the effectiveness of the Company's risk management and internal control systems are operating effectively in all material respects, based on the criteria for effective internal control established.

## 4. RISK MANAGEMENT COMMITTEE

Regulation 21 of SEBI Listing Regulations was amended which mandates top 1000 Listed Companies to constitute risk management committee. Accordingly, the Board has constituted Risk Management Committee on May 2, 2022 in compliance with regulation 21 of SEBI Listing Regulations.

### 4.1 Composition, Meetings and its attendance\*:

Member	Category
Mr. Manubhai Patel	Chairman - Independent Director
Mr. Jayanti Patel	Member- Executive Chairman
Mr. Natwarlal Patel	Member- Managing Director

\*Since Committee was constituted on 2nd May, 2022, no details of meeting and its attendance were given hereinabove.

### 4.2 Terms of Reference

The broad terms of reference of the Risk Management Committee include the following;

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

## 5. NOMINATION & REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee of the Board has been constituted as per requirements of section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations.

### 5.1 Composition, Meetings and its attendance:

During the Financial Year 2021-22, Nomination and Remuneration Committee met once. The Composition of the Committee, date of meeting and its attendance is as under;

Member	Category	20.05.2021
Mr. Manubhai Patel	Chairman - Independent Director	√
Ms. Urvashi Shah	Member – Independent Director	√
Prof. (Dr). Ganapati Yadav	Member – Independent Director	√

Mr. Jayesh Patel, Company Secretary, acts as the Secretary of the Nomination and Remuneration Committee.

### 5.2 Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee include the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board on the appointment of new executive and non-executive directors;
- To recommend to the Board the appointment and removal of Senior Management.
- To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- To review the Board structure, size and composition, having regard the principles of the Code;
- Assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
- Put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Group;
- Determine, on an annual basis, whether a director is independent taking into account the circumstances set forth in Guideline 2.1 of the Code and any other salient factors;
- Make recommendations to the Board for the continuation in services of any Executive Director who has reached the age of seventy years;
- Recommend directors who are retiring by rotation to be put forward for re-election;
- Decide whether or not a director is able to and has been adequately carrying out his duties as a director of the Company, particularly when he has multiple board representations;
- Recommend to the Board internal guidelines to address the competing time commitments faced by directors who serve on multiple boards; and
- Assess the effectiveness of the Board as a whole and for assessing the contribution of each individual director to the effectiveness of the Board on an annual basis
- Devising a policy on Board diversity;
- To recommend the Board on policy and framework relating to remuneration for (i) Directors (ii) Executive Directors (iii) Key Managerial Personnel and (iv) Senior Management remuneration and incentive package.
- All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee.
- Reviewing and enhancing on the compensation structure to incentive performance base for key executives;
- Ensure that the remuneration packages are comparable within the industry and comparable companies and include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive director's performance.
- To facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.
- To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the NRC by the Board of Directors from time to time;
- to develop a succession plan for the Board and to regularly review the plan;



### 5.3 Nomination process for new Directors

The search and nomination process for new Directors are through personal contacts and recommendations of the Director. NRC will review and assess candidates before making recommendation to the Board.

NRC will also take the lead in identifying, evaluating and selecting suitable candidate for new Directorship. In its search and selection process, NRC considers factors such as commitment and the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees.

### 5.4 Pecuniary Relationship or Transaction

There is no other pecuniary relationship or transaction by the Company with Non-Executive Directors.

### 5.5 Remuneration to Non Executive Directors

The Non-Executive Directors were not paid any Compensation except sitting fees. The Board has fixed the sitting fees payable to Non-Executive Directors within the limits prescribed under the Companies Act, 2013.

### 5.6 Remuneration to Executive Directors

The Company pays remuneration to its Executive Directors by way of Salary, perquisites and Performance Bonus. The members at the Extra Ordinary General Meeting held on May 7, 2021 have approved the appointment for a period of 5 years from 01 June, 2021 to 30 May, 2026 and terms of remuneration payable to Mr. Jayanti Patel Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel Managing Directors, Mr. Ramesh Patel and Mr. Anand Patel – Executive Directors (collectively referred to as Executive Directors”).

During FY 2021-22, the Executive Directors were paid the following remuneration;

Name of Director	(₹ in Lakhs)	
	Salary, Perquisites	Performance Bonus
Mr. Jayanti Patel	102.15	525.00
Mr. Ashish Soparkar	102.15	525.00
Mr. Natwarlal Patel	102.15	525.00
Mr. Ramesh Patel	102.15	315.00
Mr. Anand Patel	102.15	210.00
<b>Total</b>	<b>510.73</b>	<b>2100.00</b>

The remuneration paid is within the limits approved by the Shareholders. Currently, the Company does not have any contractual provisions to allow the Company to reclaim incentive from Executive Directors and Key Management Personnel in exceptional cases of wrongdoings. [to check in BR]

The Company does not have any Employee Share Option Scheme or Employee Stock Option or any long-term similar incentive scheme in its place.

The Company has paid the following sitting fees to Independent Directors during FY 2021-22;

Name of Independent Directors	(₹ in Lakhs)
	Amount of sitting fees paid
Ms. Urvashi Shah	6.60
Mr. Manubhai Patel	6.60
Mr. Bhaskar Rao	2.75
Mr. C. S. Liew	2.75
Prof.(Dr.) Ganapati Yadav	5.48

## 6. SHAREHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted as per the requirement of 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations.

### 6.1 Composition, Meetings and its Attendance

During the Financial Year 2021-22, Stakeholders Relationship Committee met four times. The Composition of the Committee, date of meetings and its attendance is as under;

Member	Category	Meetings during FY 2021-22			
		20.05.2021	10.08.2021	26.10.2021	02.02.2022
Mr. Manubhai Patel	Chairman - Independent Director	√	√	√	√
Ms. Urvashi Shah	Member – Independent Director	√	√	√	√
Mr. Ashish Soparkar	Member – Managing Director	√	√	√	√

Mr. Jayesh Patel, Company Secretary, acts as the Secretary of the Shareholder's/ Investors Relationship Committee.

### 6.2 Terms of Reference:

The terms of reference of the Shareholder's/ Investors Relationship Committee include the following:

- To allot equity shares of the Company,
- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;

- (g) Reference to statutory and regulatory authorities regarding investor grievances;
- (h) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

### 6.3 Name, Designation and contact details of Compliance Officer

Mr. Jayesh Patel, Company Secretary (ICSI M.No:A14898) is the Compliance Officer of the Company. The Compliance Officer can be approached at the Registered Office of the Company at 1st to 3rd Floor, Meghmani House, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad – 380015, Gujarat, India, Tel No. 91-79-2970 9600/ 7176 1000 Fax No. 91-79-2970 9605 E-mail: ir@meghmani.com Website: <http://www.meghmani.com/>

### 6.4 Status of Investors' complaint as on March 31, 2022

During the year ended on March 31, 2022, two complaints were received through SCORE portal of SEBI which were resolved to the satisfaction of the shareholders.

## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has always been mindful of its obligations vis-à-vis the communities it impacts and has been pursuing various CSR activities long before it became mandated by law.

### 7.1 Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include the following:

- a. To formulate and recommend to the board of directors, the CSR Policy, indicating the CSR activities to be undertaken as per Companies Act, 2013, as amended;

- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken;
- c. To monitor the CSR Policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time

### 7.2 Composition, meeting and its Attendance

During the Financial Year 2021-22, CSR Committee met only once. The Composition of the Committee, date of meeting and its attendance is as under;

Member	Category	20.05.2021
Mr. Manubhai Patel	Chairman-Independent Director	√
Mr. Jayanti Patel	Member - Executive Chairman	√
Mr. Ashish Soparkar	Member- Executive Director	√
Mr. Natwarlal Patel	Member- Executive Director	√

The Company has spent ₹ 248.47 Lakhs towards CSR activities during the financial year 2021-22, the details whereof are being given in the Annexure to the Directors Report. The unspent CSR amount of ₹ 131.91 Lakhs has been transferred to 'Unspent CSR account FY2022 on April 29, 2022 in accordance with provisions of Section 135(6) of Companies Act, 2013, which will be utilized in terms of CSR policies of the Company.

## 8. GENERAL BODY MEETINGS

8.1 The details as to date, time and location of Annual General Meetings (AGM) held in last three years and Special resolutions passed thereat are as under: -

Year ended	Category-Date & Time	Venue	Special Resolutions passed
31.03.2020	1st AGM on August 4, 2020 at 11.00 a.m.	1st to 3rd Floor, Meghmani House, Near Raj Bunglow, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad- 380015	Nil
2021-2022	Extra Ordinary General Meeting May 7, 2021 at 10.30 a.m.	1st to 3rd Floor, Meghmani House, Near Raj Bunglow, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad- 380015	1) Appointment of Mr. Jayanti Patel as Executive Chairman of the company for 5 years u/s 196 of Companies Act, 2013 2) Appointment of Mr. Ashish Soparkar as Managing Director of the company for 5 years u/s 196 of Companies Act, 2013 3) Appointment of Mr. Natwarlal Patel as Managing Director of the company for 5 years u/s 196 of Companies Act, 2013 4) Appointment of Mr. Ramesh Patel as Executive Director of the company for 5 years u/s 196 of Companies Act, 2013 5) Appointment of Mr. Anand Patel as Executive Director of the company for 5 years u/s 196 of Companies Act, 2013 6) To adopt new set of Articles of Association of the Company u/s 14 of Companies Act, 2013 7) to authorize to borrow under section 180(1)(c) of the companies act, 2013 for an amount not exceeding ₹ 1,500 Cr. 8) to create mortgage / charge over property of the company under section 180(1)(a) of the companies act, 2013 for securing borrowing of ₹ 1,500 Cr.
31.03.2021	2nd AGM on September 23, 2021 at 10.00 a.m.	Through Video Conferencing (VC)/ Other Audio-Visual Means(OAVM)	Nil

8.2 No resolution(s) was passed by members of the Company through Postal Ballot during the year under review.

## 9. OTHER DISCLOSURES

### 9.1 Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties except with Meghmani Finechem Limited during the financial year, which were in conflict with the interest of the Company. Suitable Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements in this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website.

### 9.2 Vigil Mechanism / Whistle Blower Policy

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

### 9.3 Compliance with SEBI LODR

The Company has complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was no Non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets since August 18, 2021, being listed on NSE and BSE.

### 9.4 Recommendation by Committee

There were no instances during the financial year 2021-22 wherein the Board had not accepted the recommendations made by any committee of the Board.

### 9.5 Prevention of Sexual Harassment (PSH) of Women at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. Status of complaints during FY 2020-21 is as under:

Opening as on April 1, 2021	Nil
Received – FY 2021-22	Nil
Disposed of – FY 2021-22	Nil
Pending as at March 31, 2022	Nil

### 9.6 Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards

notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### 9.7 Certificate on Corporate Governance

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

### 9.8 Shareholder's Information

This Chapter read with the information given in the section titled General Shareholders' information constitutes the compliance report on Corporate Governance.

### 9.9 Code of Conduct

The Company has recently on 5th May, 2021, adopted a code of conduct for its Directors and designated Senior Management Personnel. All the Board Members and Senior Management Personnel have agreed to follow compliance of code of conduct. The code has been posted on the Company's website.

### 9.10 Management Discussion and Analysis Report

The Management Discussion and Analysis Report on Company's financial and operational performance, Industry trends etc. is presented in a separate section which forms part of the Annual Report.

### 9.11 Insider Trading

The Company has in place "Code of Conduct to regulate, monitor and report Trading by Insider" and accordingly Company Secretary of the Company closes window for trading in Equity Shares of the Company at the end of every quarter in addition to specific event, if any to comply with said Insider Trading Code.

### 9.12 Disclosures regarding Re-appointment of Directors

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation every year and if eligible, they offer themselves for re-election by the shareholders at the General Meeting. There is no Alternate Director being appointed to the Board.

### 9.13 Appointment & Removal of Company Secretary

The appointment and removal of the Company Secretary is subject to the approval of the Board.

### 9.14 Credit Rating

CRISIL has reaffirmed Long Term Rating CRISIL AA-/Stable and Short Term Rating CRISIL A1+ to its total Bank loan facility of ₹ 725.00 Crore by CRISIL Limited (Rating Agency) vide its letter RL/MEGORG/262660/BLR/0121/22353 dated December 08, 2021 issued to the Company.



## 9.15 Commodity Price Risk or Foreign Exchange risk and it's hedging

During the financial year 2021-22, the Company has managed the foreign exchange risk by hedging to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in notes to Standalone Financial Statements.

## 9.16 Discretionary Requirements

The table below summarizes compliance status of discretionary requirements of Part E of Schedule II of SEBI (LODR) Regulations, 2015

#	Particulars	Status
1	Non-Executive Chairman's office	The Company does not have a Non-executive Chairman
2	Shareholders Rights	As the quarterly, half yearly and yearly financial results are published in the newspapers and are also posted on the website of Stock Exchanges and website of the Company, the same are not being sent to the shareholders.
3	Audit Qualifications	The Company's Financial Statements for FY 2021-22 is unmodified.
4	Separate posts of Chairman and MD or CEO	There is a separate post of Chairman, Managing Director and CEO but Company has Executive Chairman who may be considered relatives of MD/CEO.

## 10. Reminders to Unpaid Dividend

Reminders for unpaid dividend of Meghmani Organics Limited are sent to the shareholders every year.

## 11. MEANS OF COMMUNICATION

### 11.1 Newspapers

The Unaudited Quarterly/Half yearly/yearly financial statements are announced within statutory timeline.

The aforesaid financial statements reviewed by the Audit Committee are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the Stock Exchanges have been intimated, these results are given by way of a press release to news agency and published within 48 hours in two leading daily news papers – one in English and one in Gujarati.

### 11.2 Disclosure to Stock Exchanges

The Company also timely disseminates on the website of Stock Exchanges, all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

### 11.3 Website Display

The Company's website [www.meghmani.com](http://www.meghmani.com) contains a separate dedicated section "Investors" where information for shareholders is available. Quarterly and Annual Financial results, disclosures and filing with the stock exchanges, official press releases, presentations to analysts and institutional investors and other general information about the Company are available.

### 11.4 Annual Report

Annual Report containing, inter alia, Board's Report, Auditors' Report, Audited Financial Statements and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Business Responsibility Report form part of the Annual Report. The Annual Report of the Company and its subsidiaries is also available on the website of the Company.

### 11.5 Green Initiative for paperless communication

As a responsible Corporate citizen, the Company welcomes and supports the 'Green Initiatives' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participant(DP) and Registrar and Transfer Agent (RTA).

Shareholders who have not registered their e-mail address so far are requested to do the same. Shareholders may refer Note No. 27 annexed with Notice of 3rd Annual General Meeting of the shareholders which forms part of Annual Report.

## 12. General Shareholder Information

### 12.1 Schedule of Third Annual General Meeting

Date	<b>Monday, June 27, 2022</b>
Venue	The meeting is being conducting through VC / OAVM pursuant to the MCA Circular dated May 5, 2022, hence there is no requirement to have a venue for the AGM. Please refer detailed notes annexed to the Notice of this AGM to attend the meeting.
Time	<b>12:00 noon</b>
Last date of receipt of Proxy	Not Applicable
Posting of Annual Report	On or before 3rd June, 2022

## 12.2 Financial Year

The financial year of the Company is from April 1 to March 31. The tentative schedule of Board Meeting for approval of Quarterly financial results is as under;

### Financial Calendar 2022-23

First Quarter Results - Q1FY23	Within 45 days from the close of quarter
Second Quarter Result - Q2FY23	Within 45 days from the close of quarter
Third Quarter Results – Q3FY23	Within 45 days from the close of quarter
Fourth Quarter Results - Q4FY23	Within 60 days from the close of quarter

## 12.3 Record Date

Record Date	Monday, June 20, 2022
-------------	-----------------------

## 12.4 Dividend payment

The Board of Directors at their meeting held on May 2, 2022 has declared Final Dividend of ₹ 1.40 (140%) per Equity shares of the face value of ₹ 1/- each for the financial year 2021-22, which will be paid on or after July 4, 2022. The Company has fixed Monday, June 20, 2022 as “Record date” to determine the entitlement of the shareholders to receive dividend for the year 2021-22.

The information of unclaimed dividend of the Company is as under:-

Particulars	Dividend%	31/03/2022 ₹	Payment Date	Transfer due date
Un paid Dividend – 2015	40%	617493.20	27.02.2015	26.02.2022*
Un- paid dividend – 2016	30%	629070.63	23.03.2016	22.02.2023
Un- paid dividend – 2017	40%	563303.50	07.08.2017	06.08.2024
Un- paid dividend – 2018	40%	644453.09	06.08.2018	05.08.2025
Un-paid dividend –2019 (Interim)	60%	696889.00	25.03.2019	24.03.2026
Un- paid dividend – 2019 (Final)	40%	648601.20	29.07.2019	28.07.2026
Unpaid dividend – 2020 (Interim)	100%	1533239.00	20.03.2020	19.03.2027
Unpaid dividend – 2021 (Final)	140%	1930920.42	04.10.2021	03.10.2028
<b>Total</b>		<b>7263970.04</b>		

\* in process for transfer

## 12.5 Unclaimed Shares

The Company has allotted shares to the shareholders of erstwhile Meghmani Organics Limited under the Scheme of Arrangement which was approved by NCLT vide its order dated May 3, 2021. The following shares were remained unclaimed by the shareholders in the process of allotment due to various reasons i.e. BO closed/inactive/invalid demat account. The Company has sent a letter to respective shareholders to claim the shares on August 4, 2021 and further reminder will follow. The details of shares given to rightful owners and unclaimed shares are as follow;

	No of Shareholders	Unclaimed shares
Position at August 18, 2021	48	126946
No of shareholders who have approached and transferred to respective shareholders from August 18, 2021 To March 31, 2022	14	11510
Details of outstanding shares at March 31, 2022	27	112826

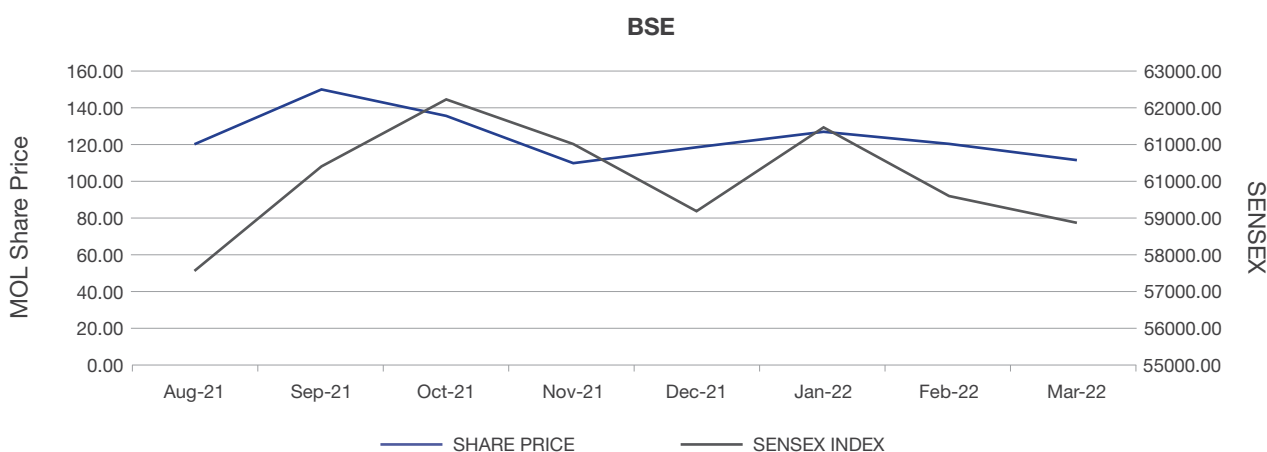
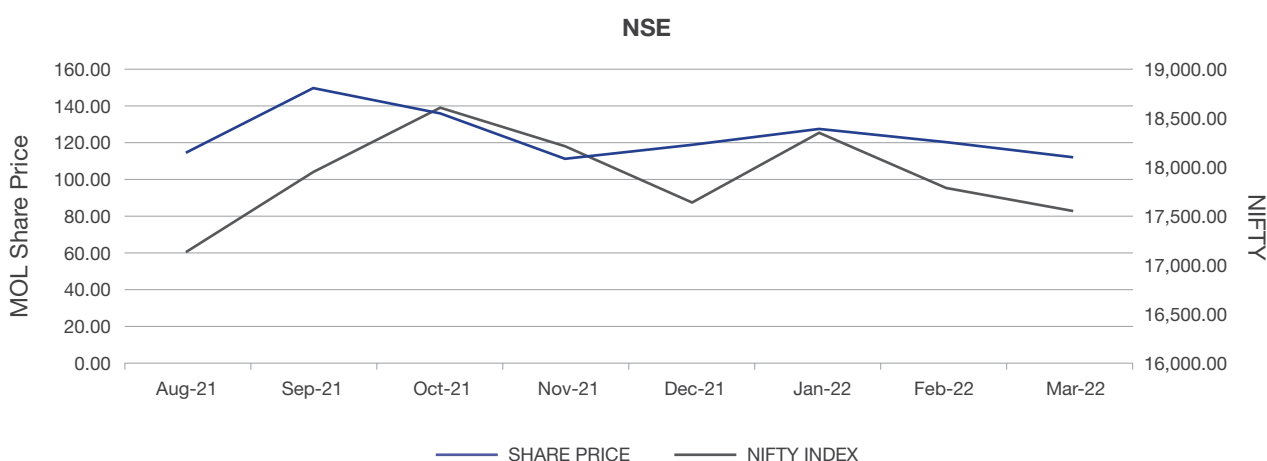
## 12.6 Payment of Listing Fees

The Company has paid listing fees for FY 2022-23 to both the exchanges National Stock Exchange of India (NSE) and BSE Limited.

## 62 12.7 Market Price Data: High Low during each month in Financial Year 2021-22

The Monthly High and Low prices of equity shares traded on NSE and BSE from August 18, 2021 (Listing date) to March 31, 2022 is set out below:

Month	NSE				BSE			
	SHARE PRICE		NIFTY INDEX		SHARE PRICE		SENSEX INDEX	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
Aug-21	114.90	85.00	17,153.50	15,834.65	120.50	85.50	57625.26	52804.08
Sep-21	149.70	111.00	17,947.65	17,055.05	149.90	110.90	60412.32	57263.90
Oct-21	135.70	100.55	18,604.45	17,452.90	135.50	100.65	62245.43	58551.14
Nov-21	111.00	81.10	18,210.15	16,782.40	110.30	80.75	61036.56	56382.93
Dec-21	118.90	97.50	17,639.50	16,410.20	118.80	97.50	59203.37	55132.68
Jan-22	127.15	97.30	18,350.95	16,836.80	127.00	103.55	61475.15	56409.63
Feb-22	120.50	89.00	17,794.60	16,203.25	120.45	88.65	59618.51	54383.20
Mar-22	112.20	88.50	17,559.80	15,671.45	112.15	88.80	58890.92	52260.82



## 12.8 Listing details of Equity shares

Name of Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	MOL
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	543331
ISIN		INE0CT101020

## 12.9 Share Transfer System

Link Intime India Private Limited, Mumbai, is Registrar & Share Transfer Agent of the Company. The Share Transfer and Share Dematerialization are processed by Link Intime India Private Limited, Mumbai.



## 12.10 Shareholding Pattern as on March 31, 2022

Category of Shareholder	No of Shares	%
<b>(1) Promoter</b>		
Promoter & Promoter Group	12,56,68,135	49.41
<b>(2) Public</b>		
<b>Non-Institutional</b>		
Individual Shareholders	9,43,59,055	37.10
Non Resident Indians	70,03,324	2.75
Hindu Undivided Family	69,62,732	2.74
Body Corporate	1,55,33,021	6.11
Clearing Members	11,96,000	0.47
Investor Education And Protection Fund	1,78,018	0.07
Escrow Account	1,12,826	0.04
Government Companies	1,09,994	0.04
Trusts	2,508	0.00
NBFCs registered with RBI	681	0.00
<b>Institutional</b>		
Foreign Portfolio Investors	31,87,917	1.25
<b>Total</b>	<b>25,43,14,211</b>	<b>100.00</b>

## 12.11 Dematerialization of Shares as on March 31, 2022

Share Capital	No. of shares	%
Listed Capital	25,43,14,211	100.00
Held in Dematerialized form :-	25,43,14,211	100.00
National Securities Depository Limited (NSDL)	19,52,74,035	76.78
Central Depository Services (India) Limited (CDSL)	5,90,40,176	23.22
Held in Physical Form	Nil	Nil
<b>Total</b>	<b>254314211</b>	<b>100.00</b>

## 12.12 Distribution of Shareholding as on March 31, 2022

Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1 to 500	1,07,380	82.50	1,50,22,670	5.91
501 to 1000	10,923	8.40	90,65,843	3.56
1001 to 2000	5,410	4.16	84,02,503	3.30
2001 to 3000	1,981	1.52	51,72,245	2.03
3001 to 4000	955	0.73	34,94,072	1.37
4001 to 5000	926	0.71	44,31,314	1.74
5001 to 10000	1,278	0.98	96,22,593	3.78
10001 & above	1,278	0.98	96,22,593	3.78
<b>TOTAL</b>	<b>1,30,158</b>	<b>100.00</b>	<b>25,43,14,211</b>	<b>100.00</b>

## 12.13 REGISTRAR AND SHARE TRANSFER AGENT &amp; INVESTOR CORRESPONDENCE

Registrar & Share Transfer Agent	Company
Link Intime India Private Limited 506 To 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off, C. G. Road, Ahmedabad- 380006 Contact No.: 91-79- 2646 5179 Email: ahmedabad@linkintime.co.in	Mr. Jayesh Patel, Company Secretary 1st to 3rd Floor, Meghmani House, B/h Safal Profitaire, Corporate Road, Praladnagar, Ahmedabad 380 015 Contact No. 91-79-2970 9600/ 7176 1000 E-mail: helpdesk@meghmani.com

## 12.14 LOCATION OF MANUFACTURING FACILITY

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

## 12.15 COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS

The Company has the following recommendations to members to mitigate/ avoid risks while dealing with shares and related matters:

### Encash your Dividends on time

Members are requested to register their Bank details with their DP to receive credit of dividend in time.

Members are requested to deposit dividend warrants promptly with their Bankers to receive credit of amount of dividend.

### Claim of unclaimed dividend

Members who have not claimed their dividend declared and paid by the Company are requested to claim their dividend in order to avoid to transfer the same into the Investor Education and Protection Fund. Your Company sends the reminder to claim the unclaimed dividend and if not claimed, to transfer the amount of dividend together with shares thereof into the Investor Education and Protection Fund.

### Claim of unclaimed shares

The Company has allotted shares to the shareholders of erstwhile Meghmani Organics Limited under the Scheme of Arrangement which was approved by Hon'ble NCLT vide its order dated 3 May, 2021. 112826 Equity Shares were remained unclaimed by the shareholders as on March 31, 2022. Members are requested to claim these shares and refer Note No: 23 to the Notice of 3rd AGM for guidance 'How to Claim shares'.

For **Meghmani Organics Limited**  
(formerly known as Meghmani Organochem Limited)

May 2, 2022  
Ahmedabad

**Ashish Soparkar**  
Managing Director

# Auditors' Certificate on Corporate Governance

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To,  
The Members,  
**MEGHMANI ORGANICS LIMITED**  
1st+2nd+3rd FL Nr. Raj Bunglow,  
Nr. Safal Profitaire, Prahlad Nagar, Satellite  
AHMEDABAD GJ380015 IN

We have examined the compliance of conditions of Corporate Governance of **MEGHMANI ORGANICS LIMITED, CIN L24299GJ2019PLC110321**, for the year ended on **31st March 2022**, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SHAHS & ASSOCIATES**  
Company Secretaries

**Kaushik Shah**  
Partner

FCS No 2420 CP No 1414  
UDIN: F002420D000182732

Place: Ahmedabad  
April 29, 2022



# Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

**MEGHMANI ORGANICS LIMITED**

1st+2nd+3rd FL Nr. Raj Bunglow,

Nr. Safal Profitaire, Prahlad Nagar, Satellite

AHMEDABAD GJ380015 IN

We have examined the relevant registers, records, forms, returns and disclosures including thereon in digital/ electronic mode received from the Directors of Meghmani Organics Limited CIN L24299GJ2019PLC110321 and having its Registered Office at 1st+2nd+3rd FL Nr. Raj Bunglow, Nr. Safal Profitaire, Prahlad Nagar, Satellite, AHMEDABAD GJ380015 IN (hereinafter referred to as 'the Company'), as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

S. N.	Name of Director	DIN	Date of appointment in Company
1	JAYANTILAL MEGHJIBHAI PATEL	00027224	15/10/2019
2	ASHISHBHAI NATAWARLAL SOPARKAR	00027480	15/10/2019
3	NATWARLAL MEGHJIBHAI PATEL	00027540	15/10/2019
4	ANANDBHAI ISHWARBHAI PATEL	00027836	15/10/2019
5	RAMESHBHAI MEGHJIBHAI PATEL	00027637	15/10/2019
6	URVASHI DHIRUBHAI SHAH	07007362	05/05/2021
7	MANUBHAI KHODIDAS PATEL	00132045	05/05/2021
8	PALAKODETI VENKATRAMANA BHASKAR RAO	08058946	05/05/2021
9	CHING SENG LIEW	08065615	05/05/2021
10	GANAPATHI DADASAHEB YADAV	02235661	05/05/2021

We further report that the ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SHAHS & ASSOCIATES**

Company Secretaries

**Kaushik Shah**

Partner

FCS No 2420 CP No 1414

UDIN: F002420D000182732

Place: Ahmedabad

April 29, 2022

## Business Responsibility Report (BRR)

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) : L24299GJ2019PLC110321
2. Name of the Company : **Meghmani Organics Limited** (formerly known as Meghmani Organochem Limited)
3. Registered office address : 1st to 3rd Floor, Meghmani House”  
Nr. Raj Bunglow, Nr. safal Profitaire,  
Prahlah Nagar, Satellite Ahmedabad-380015  
Phone No 91-79-29709600/ 71761000
4. Website : www.meghmani.com
5. E-mail id : helpdesk@meghmani.com
6. Financial Year reported : FY 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-class	Description
201	2011	20114	Manufacture of Dyes and Pigments from any source in basic form or as concentrate.
202	2021	20211	Manufacture of Insecticides, Rodenticides, Fungicides, Herbicides.

## As per National Industrial Classification – 2008 (NIC-2008)

8. List three key products/services that the Company manufactures / provides (as in balance sheet)

## Manufacturer of Green Pigment and Blue Pigment and Agro Chemicals (Technical, Intermediates &amp; Formulations)

9. Total number of locations where business activity is undertaken by the Company

- (a) Number of International Locations : **Three subsidiaries**
- (b) Number of National Locations : **The Company has seven manufacturing facilities as set out below;**

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

10. Markets served by the Company –

**The Company served to both, domestic and international market especially Europe, China, & Japan market. The Company has 83% export turnover in Pigment segment and 87% export turnover in Agrochemical segment.**

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹ 2543.14 Lakhs
2. Total Turnover (INR): ₹ 2,49,397.15 Lakhs (On a standalone basis)
3. Total Profit after taxes (INR): ₹ 30,797.22 Lakhs (On a standalone basis)
4. Total Spending on Corporate Social Responsibility (CSR) as % of profit after tax (%): ₹ 248.47 Lakhs spent on CSR which is 0.81% of PAT of FY 2022. The Company has earmarked ₹ 115 Lakhs in a separate Bank account for CSR activities which will be used within statutory time-line.
5. List of activities in which expenditure in 4 above has been incurred:- Refer Report on CSR given as Annexure C to the Directors' Report, for detailed activities of CSR. The CSR activities, inter alia includes following;
  - a) Education and Skill Development – Promoting education among girls, youth and children
  - b) Contribution towards Disaster Management for COVID-19
  - c) Promote and Develop infrastructure for health care including preventive health care facilities.
  - d) Conservation of natural resources and community development etc.

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

**Yes, the Company has following 5 subsidiaries as on March 31, 2022.**

	Status
Meghmani Synthesis Limited	Newly Incorporate –yet to start operations
Meghmani Organics USA INC	Active - Distribution Business
P T Meghmani Organics Indonesia	Operations closed - Distribution Business
Meghmani Overseas FZE	Operations closed - Distribution Business
Kilburn Chemicals Limited	Under revamping of manufacturing facilities as per approved Resolution Plan submitted to NCLT

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

**No, as there were no business activities carried by our subsidiaries during FY 2021. Kilburn Chemicals Limited, wholly owned subsidiary acquired through NCLT during the year under review, is yet to start its commercial operations.**

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

**No**

## SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies

Sr. No.	Name of Director	DIN	Designation
1.	Mr. Jayanti Patel	00027224	Executive Chairman
2.	Mr. Ashish Soparkar	00027480	Managing Director

- (b) Details of the BR head:-

Sr. No.	Name of Director	Designation
1.	Name	Mr. Ashish Soparkar
2.	DIN	00027480
3.	Designation	Managing Director
4.	Telephone number	91-79-25831210.
5.	e-mail id	helpdesk@meghmani.com

2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1 (P-1)	Businesses should conduct and govern with Ethics, Transparency and Accountability.
Principle 2 (P-2)	Businesses should provide products that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P-3)	Businesses should promote the welfare of all employees.
Principle 4 (P-4)	Businesses should respect the interests of the Stakeholder Engagement
Principle 5 (P-5)	Businesses should respect and encourage Human Rights
Principle 6 (P-6)	Business should respect, protect, and make efforts to restore the Environment
Principle 7 (P-7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P-8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P-9)	Businesses should provide value to their customers and consumers in a responsible manner.



Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Have the policies been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All applicable national and international laws and policies are complied.								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD /owner / CEO/ appropriate Board Director?	The policies are approved by the Board /Competent Authority who is attending matters.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has set-up various Committees of the Board of Directors or of Senior Executives to oversee implementation of these policies and Codes.								
6	Indicate the link for the policy to be viewed online?	The policies are not yet made available online.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been communicated to many relevant internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Company' Vigil Mechanism / Whistle Blower Policy is a tool of grievance redressal mechanism.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2a. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) :-

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**Not Applicable**

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

**The BR related performance is reviewed by the Board and the Corporate Social Responsibility ("CSR") Committee annually. The Managing Director & CEO of the Company assesses the BR performance with the Head of Departments (HOD's) on a periodical basis at review meetings. Other plant level departments viz.**

**safety Department, Environment & Healthcare Department, Human Resources department, etc. also quarterly review the performance of their respective BR principles.**

- (b) Does the Company publish a BRR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

**The Company does not publish Sustainability Report, however the Board publish annually BRR which is part of Annual Report and the same is available at [http://www.meghmani.com/inv\\_rel/ar.html](http://www.meghmani.com/inv_rel/ar.html)**

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

The Company continues to stay committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of honesty, integrity, governance, ethical and transparency in all its businesses.

The Company has adopted and implemented Codes of Conduct, Whistle Blower Policy and various governance policies which forms the foundation of all the conduct, binds us uniformly, and defines the principles of ethics, transparency and governance to be followed within the organisation, its subsidiaries as well as while dealing with external stakeholders.

The Board of Directors, Senior Management and employees of the Company also annually affirm compliance with the Code of Conduct. These do not extend to other entities.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

**There was no stakeholder complaint in the reporting period with regard to ethics, bribery, corruption and sexual harassment.**

### Principle 2: Businesses should provide products that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is in the business of agrochemicals and pigment. The manufacturing process of these products are environmental friendly and comply with applicable norms. The Company is committed to conduct its business in an Eco-Friendly manner. The Company is carrying out environmental impact assessment during construction and operational stage. Emission from all the operation is monitored and controlled as per the design and Environmental Guidelines of the CPCB/ SPCB.

The key motto of the Company is "SAFETY FIRST" for workers and employees in all our operations. The Company arranges from time to time Fire, Security and safety mock drills, awareness programs covering Safety, Health care, Environment protection and Emergency Preparedness etc. The Company implemented harmonized safety and healthcare standards at all the workplaces. To create awareness the Company has composed "SAFETY THEME SONG".

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

**The Company operated with the philosophy of Reuse and Recycle to the maximum extent of inputs to get maximum outputs. The Company has developed EMS with inbuilt mechanism of systems and is periodically monitored and reviewed for its continual improvement and resource reduction.**

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

**Reduced energy consumption by shifting to LED lighting, infrastructure design to facilitate natural lighting and ventilation in certain facilities.**

**The consumption of water is regularly monitored and regulated through the Environment Audit Scheme. The specific consumption of the resource is reduced using the capacity improvement and technology up-gradation in our processes from time to time.**

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

**The Company is practicing sustainable procurement for its needs of goods, services, utilities etc. with a view to maximising benefit to itself as well as society. At the time of selection of vendor, company is considering environmental, economic and social impact.**

**The Company has developed tools and techniques for the same. Company is establishing long term relationship with its vendors and makes sure to include them in Company's growth.**

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

**Key raw material and service providers are indigenous. Major raw materials are procured from nearby manufacturers which assure timely supply of raw material at the optimized cost as well as it support the local economy.**

**All of the employee base is Indian and most of the service provider's workers, professionals and technical consultants are local which helps to increase local employment and bust up local economic growth.**

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**Whatever the products are being manufactured by the Company are 100% recyclable. Generated waste during manufacturing process is being grounded and then blended with the Raw material. Out of generated waste, no or very little waste cannot be reused and recycled. The Company ensures the 95% recovery of the solvents from the processes.**

**Principle 3 Businesses should promote the welfare of all employees.**

**The Company works continues to provide workplaces free of any discrimination and harassment on the basis of gender, caste or religion. All employees deserve mutual respect and integrity.**

**As on 31st March, 2022**

1. Please indicate the Total number of employees: 1948
2. Please indicate the Total number of employees hired on temporary /contractual / casual basis: 1442
3. Please indicate the Number of permanent women employees: 16
4. Please indicate the Number of permanent employees with disabilities: 07
5. Do you have an employee association that is recognized by management: What percentage of your permanent employees is members of this recognized employee association? Yes, 24%
6. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

**There were no complaints of this nature during the financial year.**

7. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

**99% Employee training and skills development is a focus area of the Company's human resource strategy. The Company is committed in ensuring the wellbeing of all its employees, their safety and health.**

**It considers employee wellbeing as imperative ingredient to achieve a sustained growth of the organisation. The Company's training programs extend to all permanent and contractual employees. All employees, including women are given mandatory safety training on induction as well as the job skills related training through the Contractors and the Company**

**Principle 4: Businesses should respect the interests of the Stakeholder Engagement**

1. Has the company mapped its internal and external stakeholders? Yes/No.

**Yes the company has mapped its internal and external stakeholders**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

**The Company has identified poor, tribal, women and children as the disadvantaged, marginalised and vulnerable stakeholders.**

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.

**Yes, the Company has taken initiatives to engage with its vulnerable and marginalized stakeholders through its Corporate Social Responsibility projects.**

**The Company focuses on key development parameters, which are;**

1. Primary education, empowerment and skill development and
2. Health care development
3. Conservation of natural resources

**Principle 5 : Businesses should respect and encourage Human Rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

**Yes, the human rights policy is applicable to the employee and contractors associated with the Company. The Company prohibits indulgence of business and the value chain with any kind of child labor in any of its operation supported and complied by Child Labor (Prohibition and Regulation) Act, 1996. The Company is committed to fair employment practices and freedom of expression.**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**No stakeholder complaints were received during the last financial year**

**Principle 6 : Business should respect, protect, and make efforts to restore the Environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.



**The policy applies to the Company, its Contractors and the Company expects its Suppliers to implement this policy. The Company does not have any joint ventures.**

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

**The Company has installed wind mills for the partial power requirement for our manufacturing sites, installed energy efficient equipment and LED light fittings to mitigate global warming. The Company also use power generated through Solar by entering into power purchase agreement with the third party.**

3. Does the company identify and assess potential environmental risks? Y/N

**Yes, all the sites have undergone the risk assessment studies and hazop studies, and the outcome is implemented to minimize and mitigate the environmental risk.**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**The Company had provided phenol recovery system from the effluent at 2,4 D plant ( Herbicide). The projects were reported under the Environment Assistance Scheme under the Industrial Policy.**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

**Yes, the Company has taken below mentioned various initiatives to make its processes clean and energy efficient;**

- Recycle of steam condensate;
- Installed water recycling system (RO) & water recycled in to process;
- MDC residue (Spent Solvent) sold to recyclers / end users;
- Use of energy efficient led lighting system across MOL sites;
- Recovery of products from waste streams.
- Installed five wind mills to generate green energy

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

**The Company always monitors its waste generation limits, which helps the Company to ensure that generated waste is within the limits specified by CPCB / SPCB. The Company also monitors the emissions from all the plants of the Company to ensure the same within the limits specified by GPCB.**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

**NIL**

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Gujarat Chamber of Commerce and Industry
- (b) Vatva Industrial Association
- (c) Panoli Industrial Association
- (d) Crop Care Federation of India
- (e) Ankleshwar Industrial Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

**Yes, through membership in the above industry bodies, the Company has advocated on the key issues of industries such as water, drainage and effluent treatment channel.**

**Principle 8 : Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**The company has formulated and implemented a Corporate Social Responsibility Policy (CSR). The CSR activities are monitored by Board appointed CSR committee. The key focus areas of the CSR programs are promotion of education, preventive healthcare, skill enhancement, Environment protection and other areas as defined in Schedule VII of the Companies Act 2013. Detailed information about the specified programs and initiatives undertaken during the FY 2021 in pursuit of the CSR Policy has been given in Annexure – C to the Directors' Report.**

2. Are the programmes /projects undertaken through in-house team/ own foundation /external NGO / government structures/any other organization?

**The programmes / projects are undertaken through in-house team/other organisation.**

3. Have you done any impact assessment of your initiative?

**The CSR programs and their impacts / outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically, to understand the impact of these programs.**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

**During the Financial Year 2021-22, the Company has spent ₹ 248.47 Lakhs on various CSR initiatives, the details thereof is given in Annexure – C to the Directors' Report. The Company has also earmarked ₹ 113.91 Lakhs in a separate Bank account for CSR activities in accordance with the provisions of Companies Act, 2013.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**The Community participation is encouraged at various stages of our CSR initiatives.**

**Principle 9 :- Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

**No customer complaints/cases are pending on close of financial year 2021-22.**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

**The Company's product labels display all information that is essential to ensure safe and efficacious use of our products. Product labels are compliant with all CIB regulations and legal metrology guidelines applicable from time to time for retail and bulk packages. Labeling of products include "Direction for Use (DFU) to enable our customers to utilize our products in ways that generate utmost value for their enterprises including safety standards.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

**No cases of unfair trade practices, irresponsible advertising and/or anti-competitive behavior filed during the last five years or pending as on March 31, 2022.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**No consumer survey/ consumer satisfaction trends are carried out by the Company. But the Company has adopted a process through which regular feedback is being taken from our existing customers / stakeholders and an immediate action is taken on any issues, if any.**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31.03.2022**

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

To,  
The Members,  
**MEGHMANI ORGANICS LIMITED**  
**1st+2nd+3rd FL Nr. Raj Bunglow,**  
**Nr. Safal Profitaire, Prahlad Nagar, Satellite**  
**AHMEDABAD GJ380015 IN**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Meghmani Organics Limited CIN L24299GJ2019PLC110321** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. **It is further stated that we have also relied up on the scanned documents and other papers in digital/ electronic mode submitted to us by the official of the Company.**

**We report that;**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided in **digital/ electronic mode** by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2022 ("Audit Period")**, complied with the statutory provisions

listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; **(Applicable for the audit period from 18th August, 2021 to 31st March, 2022);**
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **(Applicable for the audit period from 18th August, 2021 to 31st March, 2022);**
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; 2009;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable during the Audit Period);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the Audit Period);**



- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client 2009;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the Audit Period); and**
- h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not Applicable during the Audit Period);**

6. Other laws specifically applicable to the Company **(As per Annexure-1)**

We have also examined compliance with the applicable clauses of the followings: -

- i. The Listing Agreements entered into by the Company with Stock Exchanges **(Applicable for the audit period from 18th August, 2021 to 31st March, 2022);**
- ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from December, 2015) **(Applicable for the audit period from 18th August, 2021 to 31st March, 2022);**
- iii. Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India.

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

### We further report that –

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

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

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

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

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

1. Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity; Except

The Company has issued **25,43,14,211 Nos. of Equity Shares to the eligible shareholders of Meghmani Organics Limited (MOL 1)** on 20/05/2021 pursuant to the Order dated 3rd May, 2021 issued by **National Company Law Tribunal, Ahmedabad Bench, U/s 230 to 232** and other relevant provisions of the Companies Act, 2013 and the Rules made there under.

2. Redemption/Buy Back of Securities.
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
4. Foreign Technical Collaborations.
5. Merger / Amalgamation / Reconstruction etc.

1. The Composite Scheme of Arrangement amongst Meghmani Organics Limited -"MOL 1" and Meghmani Organochem Limited -"MOL 2" and Meghmani Finechem Limited -"MFL" and their respective shareholders and Creditors -the 'Scheme' under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the Rules made there under as per the order dated 3rd May, 2021 issued by **National Company Law Tribunal, Ahmedabad Bench, has been carried out during the period of audit.**

2. **The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide its order dated 16 December, 2021, has approved the Resolution Plan submitted by the Company for acquiring 100% stake in Kilburn Chemicals Limited (KCL).** Hence the said KCL became the wholly owned subsidiary of the Company pursuant to the said order of NCLT.

For, **SHAHS & ASSOCIATES**  
Company Secretaries

**Kaushik Shah**  
Partner

Place: Ahmedabad  
April 29, 2022

FCS No 2420 CP No 1414  
UDIN: F002420D000182743

- (1) INSECTICIDES ACT , 1968
- (2) ENVIRONMENT PROTECTION ACT, 1986
- (3) THE GOODS AND SERVICES TAX ACT, 2016
- (4) INDIAN EXPLOSIVE ACT, 1952 – POISON ACT, 1884
- (5) INCOME TAX ACT, 1961
- (6) PROFESSIONAL TAX, 1976
- (7) NEGOTIABLE INSTRUMENT ACT, 1938
- (8) THE FACTORIES ACT, 1948
- (9) THE APPRENTICE ACT, 1961
- (10) THE INDUSTRIAL DISPUTE ACT, 1947
- (11) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
- (12) THE PAYMENT WAGES ACT, 1965
- (13) THE PAYMENT OF BONUS ACT, 1965
- (14) THE PAYMENT OF GRATUITY ACT, 1972
- (15) THE MINIMUM WAGES ACT, 1946
- (16) THE TRADE UNION ACT, 1926
- (17) THE EMPLOYMENT EXCHANGE ACT 1952
- (18) INDIAN STAMP ACT, 1899
- (19) THE TRADE MARKS ACT, 1999
- (20) FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992
- (21) ESSENTIAL COMMODITIES ACT 1955
- (22) CUSTOMS ACT 1962
- (23) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951
- (24) COMPETITION ACT, 2002
- (25) COVID-19 GUIDELINES
- (26) PETROLEUM ACT 1934, RULES 1976
- (27) INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT, 1946 & RULES 1957
- (28) CHILD LABOUR (P&R) ACT, 1986 & RULES.
- (29) OZONE DEPLETING SUBSTANCE (REGULATIONS & CONTROL) RULE 2000
- (30) INDIAN BOILER ACT, 1923 & REGULATIONS

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For, **SHAHS & ASSOCIATES**  
Company Secretaries

**Kaushik Shah**  
Partner

FCS No 2420 CP No 1414  
UDIN: F002420D000182743

Place: Ahmedabad  
April 29, 2022



# **Standalone Financial Statements**



# Independent Auditor's Report

To

The Members of **Meghmani Organics Limited**  
(formerly known as Meghmani Organochem Limited)

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2022, 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 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, 2022, 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, 2022. 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

#### Revenue recognition (as described in Note 2 of the standalone financial statements)

The Company majorly operates in two segments viz: Agro Chemicals and Pigment. 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.

### How our audit addressed the key audit matter

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 on a test check basis, 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 on a test check basis, 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.

## 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 Annual 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 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, 2022 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, 2020 ("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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2022 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 standalone financial statements – Refer Note 42 to the standalone financial statements;
  - ii. The Company has made provision as required under the applicable law or accounting standards, on material foreseeable losses, if any on long term derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no



funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 22101974AIGSWM3654

Place of Signature: Ahmedabad

Date: May 02, 2022

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited) for the year ended March 31, 2022.

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year in accordance with a planned programme of verifying them over the period of three 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 identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The inventory (except for goods in transit and inventories physically dispatched from the Company location but not considered as revenue as per revenue recognition principles) has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No material discrepancies in aggregate for each class of inventory were noted on physical verification of inventory.
- (b) As disclosed in note 24 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks and financial institutions are not in agreement with the books of accounts of the Company and the details are as follows.

Quarter	Particulars	Amount as per books of account (INR lakhs)	Amount as reported in the quarterly return/ statement (INR lakhs)	Amount of difference (INR lakhs)	Reason for discrepancy
Jun-21	Inventory	44,111.65	25,914.22	18,197.43	<ul style="list-style-type: none"> <li>The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends. Similarly, goods in transit for goods which have not reached respective locations are not considered however, considered as purchases as per accounting principles. This has lead to offsetting differences between Inventory and trade receivables and trade payable balances.</li> <li>The management, basis their understanding with banks, submits stock statement basis physical stock as available at respective locations at the period end. Accordingly adjustment for Goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.</li> <li>Further, there are other differences on account of regrouping and reclassification of trade receivable and trade payable balances being carried out in the books of accounts post submission of returns with the banks.</li> </ul>
Jun-21	Trade Receivables	41,026.17	59,633.18	-18,607.01	
Jun-21	Trade Payables	34,240.01	37,290.05	-3,050.04	
	<b>Net difference</b>	<b>50,897.81</b>	<b>48,257.35</b>	<b>2,640.46</b>	
Sep-21	Inventory	52,776.69	28,442.71	24,333.98	
Sep-21	Trade Receivables	41,360.28	68,650.65	-27,290.37	
Sep-21	Trade Payables	38,956.94	41,936.58	-2,979.64	
	<b>Net difference</b>	<b>55,180.03</b>	<b>55,156.78</b>	<b>23.25</b>	
Dec-21	Inventory	63,759.35	36,337.89	27,421.46	
Dec-21	Trade Receivables	42,554.28	79,603.75	-37,049.47	
Dec-21	Trade Payables	49,211.66	53,058.34	-3,846.68	
	<b>Net difference</b>	<b>57,101.97</b>	<b>62,883.30</b>	<b>-5,781.33</b>	

- iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company. The investments made during the year in a company is not prejudicial to the Company's interest. Further, no investment is made in firms, Limited Liability Partnerships or any other parties.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- 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. Accordingly, the requirement to report on clause 3 (iv) of the order is not applicable to that extent to the company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- 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 agrochemicals and pigment products 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, professional tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of duty of goods and service tax, income tax, duty of excise, duty of custom, service tax and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount involved (₹ in lakhs)*	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Central Excise Act	Excise duty demand	1721.87	2002-03 to 2008-09 and 2011-12 to 2015-15	Gujarat Highcourt, Central Excise and Service Tax Appellate Tribunal, Commissioner (Appeals)	
Goods and Service Tax Act, 2017	Goods and Service Tax	2951.63	2017-18 and 2018-19	Gujarat Highcourt	
Income tax Act, 1961	income tax demands	1,692.89	2002-03, 2008-09, 2012-13 to 2017-18	Gujarat High Court, Income tax Appellate Tribunal, Commissioner Appeals, Income tax	

\*Net of amount paid under protest amounting to INR 172.47 lakhs

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.



- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) and (c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 47 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year

from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special bank account in compliance of with provisions

of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 37 to the financial statements.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 22101974AIGSWM3654

Place of Signature: Ahmedabad

Date: May 02, 2022

### **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 Organics Limited (formerly known as Meghmani Organochem Limited) ("the Company") as of March 31, 2022 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, 2022, 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: 22101974AIGSWM3654

Place of Signature: Ahmedabad

Date: May 02, 2022

# Standalone Balance Sheet

as at 31st March 2022

₹ In Lakhs

Particulars	Notes	31st March 2022	31st March 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3.1	73,174.95	62,856.03
(b) Capital Work-in-Progress	3.2	17,915.29	10,586.68
(c) Other Intangible Assets	3.3	330.23	478.79
(d) Intangible Assets under development	3.2	774.68	632.36
(e) Investments in Subsidiaries	4	13,690.26	149.26
(f) Financial Assets			
(i) Investments	5	21,149.20	20,203.16
(ii) Other Financial Assets	6	1,218.01	1,061.72
(g) Income Tax Assets (Net)	7	2,046.06	1,283.41
(h) Other Non-Current Assets	8	1,671.96	800.14
<b>Total Non-Current Assets</b>		<b>1,31,970.64</b>	<b>98,051.55</b>
<b>Current Assets</b>			
(a) Inventories	9	62,789.50	37,324.15
(b) Financial Assets			
(i) Investments	10	-	10,243.86
(ii) Trade Receivables	11	54,314.90	40,587.23
(iii) Cash and Cash Equivalents	12	906.33	2,033.87
(iv) Bank Balances other than (iii) above	13	77.12	77.16
(v) Loans	14	47.90	39.86
(vi) Other Financial Assets	15	13,971.42	3,593.71
(c) Other Current Assets	16	9,219.66	4,761.01
<b>Total Current Assets</b>		<b>1,41,326.83</b>	<b>98,660.85</b>
<b>TOTAL ASSETS</b>		<b>2,73,297.47</b>	<b>1,96,712.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	2,543.14	2,543.14
(b) Other Equity	18	1,41,463.08	1,14,183.17
<b>Total Equity</b>		<b>1,44,006.22</b>	<b>1,16,726.31</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	20,878.62	12,323.08
(ii) Lease liabilities	20	344.31	487.25
(iii) Other Financial Liabilities	21	115.44	179.89
(b) Provisions	22	1,604.71	1,349.32
(c) Deferred Tax Liabilities (Net)	23	6,199.11	4,433.05
<b>Total Non-Current Liabilities</b>		<b>29,142.19</b>	<b>18,772.59</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	28,547.53	13,870.21
(ii) Lease liabilities	20	142.94	110.74
(iii) Trade Payables	25		
Total outstanding dues of micro and small enterprise		7,269.94	3,176.23
Total outstanding dues of creditors other than micro and small enterprise		49,975.31	30,728.08
(iv) Other Financial Liabilities	26	7,748.09	9,140.69
(b) Other Current Liabilities	27	4,556.88	2,243.03
(c) Provisions	28	16.04	11.46
(d) Current Tax Liabilities (Net)	29	1,892.33	1,933.06
<b>Total Current Liabilities</b>		<b>1,00,149.06</b>	<b>61,213.50</b>
<b>Total Liabilities</b>		<b>1,29,291.25</b>	<b>79,986.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,73,297.47</b>	<b>1,96,712.40</b>
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

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**  
Partner  
Membership No : 101974

Place : Ahmedabad  
Date : 2nd May 2022

**For And on Behalf of The Board of Directors of Meghmani Organics Limited**  
(Formerly known as Meghmani Organochem Limited)  
(CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022

# Standalone Statement of Profit and Loss

for the year ended on 31st March 2022

₹ In Lakhs

Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
I Revenue From Operations	30	2,49,397.15	1,62,344.28
II Other Income	31	9,623.51	2,471.83
<b>III Total Income (I+II)</b>		<b>2,59,020.66</b>	<b>1,64,816.11</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	32	1,59,756.66	94,947.63
Purchase of Stock-in-Trade		1,131.82	1,555.52
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in Trade	33	(15,498.51)	(6,753.95)
Employee Benefits Expense	34	11,700.55	10,041.21
Finance Costs	35	933.29	1,116.18
Depreciation and Amortization Expenses	3	5,998.91	5,064.52
Other Expenses	36	54,365.34	34,561.97
<b>Total Expenses (IV)</b>		<b>2,18,388.06</b>	<b>1,40,533.08</b>
<b>V Profit Before Exceptional items and Tax (III-IV)</b>		<b>40,632.60</b>	<b>24,283.03</b>
VI Exceptional Items	37	(611.14)	(650.00)
<b>VII Profit Before Tax (V-VI)</b>		<b>41,243.74</b>	<b>24,933.03</b>
<b>VIII Tax Expense</b>	23		
1 Current Tax		8,775.00	6,625.00
2 Adjustment of Tax Relating to Earlier Years		(80.05)	-
3 Deferred Tax Charge / (Credit) (Net)		1,751.57	(193.40)
<b>Total Tax Expenses (VIII)</b>		<b>10,446.52</b>	<b>6,431.60</b>
<b>IX. Profit For The Year (VII-VIII)</b>		<b>30,797.22</b>	<b>18,501.43</b>
<b>X. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss in Subsequent periods			
Remeasurement gain on defined benefit plans	38&23	57.57	27.20
Income tax effect on above		(14.49)	(6.85)
<b>Total other comprehensive income for the year, net of tax (X)</b>		<b>43.08</b>	<b>20.35</b>
<b>XI. Total Comprehensive Income For The Year (IX + X)</b>		<b>30,840.30</b>	<b>18,521.78</b>
<b>XII. Earnings Per Equity Share</b>	39		
(Face Value Per Share - ₹ 1 Each) (In ₹)			
Basic and Diluted		12.11	7.28
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

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**

Partner

Membership No : 101974

Place : Ahmedabad

Date : 2nd May 2022

**For And on Behalf of The Board of Directors of Meghmani Organics Limited**  
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(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad

Date : 2nd May 2022



# Standalone Cash Flow Statement

for the year ended 31st March 2022

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	41,243.74	24,933.03
<b>Adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation and Amortisation Expenses	5,998.91	5,064.52
Unrealised Foreign Exchange (Gain) / Loss (Net)	(1,039.55)	2,059.25
Liability no longer Required written back	(1,798.68)	(158.14)
Finance Cost	933.29	1,116.18
Dividend and Interest Income	(1,778.06)	(265.13)
(Reversal) / Provision of Bad Debt	(226.58)	167.61
Sundry Balance Written off / (Written Back)	(46.51)	5.45
Net gain on Investment in Mutual Funds	(298.09)	(179.44)
Fair Value Gain on investment in OCRPS measured at FVTPL	(946.04)	(1,124.00)
Loss on Sale of Property, Plant & Equipment (Net)	74.22	80.96
<b>Operating Profit Before Working Capital Changes</b>	<b>42,116.65</b>	<b>31,700.29</b>
<b>Adjustment for:</b>		
(Increase) in Inventories	(25,465.35)	(7,705.97)
(Increase)/Decrease in Trade Receivables	(12,463.82)	3,389.69
(Increase) in Short Term Loans and Advances	(8.04)	(0.22)
(Increase)/Decrease in Other Current Financial Assets	(8,873.61)	72.12
(Increase) in Other Current Assets	(4,458.65)	(606.05)
(Increase)/Decrease in Other Non-Current Financial Assets	(155.88)	0.99
Decrease in Other Non-Current Assets	95.95	-
Increase in Trade Payables	23,389.72	10,795.01
Increase/(Decrease) in Other Current Financial Liabilities	(291.25)	3,664.83
Increase/(Decrease) in Other Current Liabilities	2,313.85	(1,269.72)
Increase/(Decrease) in Other Non Financial Liabilities	(152.99)	151.46
Increase in Provisions	317.54	231.28
<b>Working Capital Changes</b>	<b>(25,752.53)</b>	<b>8,723.42</b>
<b>Cash Generated from Operations</b>	<b>16,364.12</b>	<b>40,423.71</b>
Direct Taxes Paid (Net of Refund)	(9,498.32)	(7,092.13)
<b>Net Cash Generated from Operating Activities</b>	<b>6,865.80</b>	<b>33,331.58</b>
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Property, Plant & Equipment	(24,196.61)	(20,891.92)
Proceeds from sale of Property, Plant & Equipment	136.51	46.55
(Investment in) Fixed Deposits & Margin Money	(107.54)	(4,001.62)
Redemption of Fixed Deposits & Margin Money	-	4,000.00
(Investment) of earmarked balances with Banks	(11.43)	-
Dividend and Interest Received	500.13	265.14
(Investments) in Equity Shares and Perpetual Securities of Subsidiary Company	(13,546.00)	-
Proceeds from sale of mutual fund	23,441.30	16,784.27
(Investment) in Mutual fund	(12,899.36)	(26,848.68)
<b>Net Cash (Used in) Investing Activities</b>	<b>(26,683.00)</b>	<b>(30,646.26)</b>

# Standalone Cash Flow Statement

for the year ended 31st March 2022

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(3,548.97)	-
Finance Cost Paid	(1,071.05)	(879.11)
Repayment of Finance Lease Liability	(157.32)	(157.32)
(Repayment)/Proceeds from Short Term Borrowings	12,492.45	(7,067.81)
Proceeds from Bank Borrowing (Term Loan)	15,000.00	10,997.25
Repayment of Bank Borrowing (Term Loan)	(4,025.45)	(4,313.85)
<b>Net Cash (Used in) / Generated From Financing Activities</b>	<b>18,689.66</b>	<b>(1,420.84)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalent (A+B+C)</b>	<b>(1,127.54)</b>	<b>1,264.48</b>
<b>Cash and Cash Equivalent at the beginning of the year</b>	<b>2,033.87</b>	<b>769.39</b>
<b>Cash and Cash Equivalent at the end of the year</b>	<b>906.33</b>	<b>2,033.87</b>
<b>Cash and Cash Equivalent Comprises as under :</b>		
Balance with Banks in Current Accounts	899.41	726.50
Bank deposit with original maturity of less than 3 months	-	1,300.00
Cash on Hand	6.92	7.37
<b>Cash and Cash Equivalent at the end of the year (Refer Note 12)</b>	<b>906.33</b>	<b>2,033.87</b>

## Notes to the Cash Flow Statement for the year ended on 31st March 2022

- 1) The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

## 2) Changes in liabilities arising from financing activities

₹ In Lakhs

Particulars	April 1, 2021	Cash flows	Other	March 31, 2022
Current borrowings (Note 24)	9,878.19	12,492.45	19.49	22,390.13
Lease liabilities (Note 20)	597.99	(157.32)	46.58	487.25
Non - current borrowings (including current portion of Long term Debt) (Note 19 and 24)	16,315.10	10,974.55	(253.63)	27,036.02
Accrued interest (Note 26)	26.33	(26.33)	107.63	107.63
<b>Total liabilities from financing activities</b>	<b>26,817.61</b>	<b>23,283.35</b>	<b>(79.93)</b>	<b>50,021.03</b>

₹ In Lakhs

Particulars	April 1, 2020	Cash flows	Other	March 31, 2021
Current borrowings (Note 24)	16,725.93	(7,067.81)	220.07	9,878.19
Lease liabilities (Note 20)	699.74	(157.32)	55.57	597.99
Non - current borrowings (including current portion of Long term Debt) (Note 19 and 24)	5,558.30	6,683.40	4,073.40	16,315.10
Accrued interest (Note 26)	35.41	(35.41)	26.33	26.33
<b>Total liabilities from financing activities</b>	<b>23,019.38</b>	<b>(577.14)</b>	<b>4,375.37</b>	<b>26,817.61</b>

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time and effect of Unrealised foreign currency amount on external commercial borrowings.

## AS PER OUR REPORT OF EVEN DATE

### FOR S R B C & CO LLP

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**

Partner

Membership No : 101974

Place : Ahmedabad

Date : 2nd May 2022

For And on Behalf of The Board of Directors of Meghmani Organics Limited  
(Formerly known as Meghmani Organochem Limited)  
(CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022

# Standalone Statement of Changes in Equity

For the year ended 31st March 2022

## (a) Equity Share Capital (Refer Note 17)

Particulars	Note	No of Shares	₹ in Lakhs
<b>Issued, Subscribed and fully paid equity shares of ₹ 1 each</b>			
<b>As at 1st April 2020*</b>		<b>25,43,14,211</b>	<b>2,543.14</b>
Changes in Equity Share Capital due to prior period errors		-	-
<b>Balance as at 1st April 2020</b>		<b>25,43,14,211</b>	<b>2,543.14</b>
Changes in equity share capital during the year	17	-	-
<b>As at 31st March 2021</b>		<b>25,43,14,211</b>	<b>2,543.14</b>
Changes in Equity Share Capital due to prior period errors		-	-
<b>Balance as at 1st April 2021</b>		<b>25,43,14,211</b>	<b>2,543.14</b>
Changes in equity share capital during the year	17	-	-
<b>As at 31st March 2022</b>		<b>25,43,14,211</b>	<b>2,543.14</b>

## (b) Other Equity

(₹ in Lakhs)

Particulars	Other Equity (Refer Note 18)					Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earning	
<b>Opening Balance at April 1, 2020*</b>	(6,991.82)	15,650.48	184.33	12,467.18	74,351.22	95,661.39
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Balance as at 1st April 2020</b>	(6,991.82)	15,650.48	184.33	12,467.18	74,351.22	95,661.39
Profit for the year	-	-	-	-	18,501.43	18,501.43
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	20.35	20.35
<b>Total Comprehensive Income for the year</b>	-	-	-	-	18,521.78	18,521.78
<b>As at 31st March 2021</b>	(6,991.82)	15,650.48	184.33	12,467.18	92,873.00	1,14,183.17
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Balance as at 1st April 2021</b>	(6,991.82)	15,650.48	184.33	12,467.18	92,873.00	1,14,183.17
Profit for the year	-	-	-	-	30,797.22	30,797.22
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	43.08	43.08
<b>Total Comprehensive Income for the year</b>	-	-	-	-	30,840.30	30,840.30
Dividend Paid	-	-	-	-	(3,560.39)	(3,560.39)
<b>As at 31st March 2022</b>	(6,991.82)	15,650.48	184.33	12,467.18	1,20,152.91	1,41,463.08

\*Restated Pursuant to scheme of arrangement (Refer Note 51)

### AS PER OUR REPORT OF EVEN DATE

#### FOR S R B C & CO LLP

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**  
Partner  
Membership No : 101974

Place : Ahmedabad  
Date : 2nd May 2022

For And on Behalf of The Board of Directors of Meghmani Organics Limited  
(Formerly known as Meghmani Organochem Limited)  
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**Ankit N Patel**  
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(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 1. Corporate information

Meghmani Organics Limited (Formerly Known as Meghmani Organochem Limited) (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013. Its shares are listed on Bombay Stock Exchange, and National Stock Exchange in India. The registered office of the company is located at Meghmani House, Nr. Raj Bunglows, Nr. Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad 380015. The company is engaged in manufacturing and selling of pigment and agrochemicals products.

The Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 2nd May 2022.

## 2. Significant Accounting Policies

### 2.1 Basis for Preparation of Accounts

The Standalone financial statements have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

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) i.e. 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 41 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 future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset. Research

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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 ) 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. 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 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## c. Revenue recognition

Revenue from contract with customer is recognised when control of the goods or services 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 or services. 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 180 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 products purchased during the period exceeds a threshold specified in the contract.

## (ii) Contract assets

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

### (a) Trade receivables

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

## (iii) Contract liabilities

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

## 2) Interest Income

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

## 3) Export Incentives

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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

## 6) Rental income

Rental income arising from operating leases is accounted on the basis of lease terms and is included in other income in the statement of profit and loss.

## 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 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).

## e. 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.

# Notes to the Standalone Financial Statements

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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 45.

- 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 assets where management believes and based on independent technical evaluation, assets estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Leasehold land is amortized over the lease period on a straight line basis.

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. The depreciation rates charged are over following estimated useful lives:

Asset	Estimated Useful life
Right to use – Leasehold Land	99 Years
Right to use – Building	9 Years
Building	30 Years
Plant & Machinery	15 Years
Reactors / Storage Tanks	20 Years
Wind Power Generation Plant	22 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 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 costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset for its intended use.

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.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- » The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- » Its intention to complete and its ability and intention to use or sell the asset
- » How the asset will generate future economic benefits
- » The availability of resources to complete the asset

- » The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Company's intangible assets is as follows:

Assets	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 years
Product licenses	On Straight-line basis	5 -25 years
Usage rights	On Straight-line basis	5 years

### Intangible assets under development

Expenditure incurred on acquisition /development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

## h. INVESTMENT IN SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27- 'Separate Financial Statements'.

### Impairment of investments:

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

## i. IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may



# Notes to the Standalone Financial Statements

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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 upto the amount of any previous revaluation surplus.

## j. 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:

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 or 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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 115 (referred to as 'contractual revenue receivables' in these financial statements)

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

- Trade receivables and
- Other 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

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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

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, full currency swaps and interest rate swaps contracts 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

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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.

## k. 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.

## l. 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.

## m. 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.

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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.

## n. ACCOUNTING FOR TAXES ON INCOME

### 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:

- When the deferred tax liability arises from the initial recognition of goodwill or 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
- 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.

## o. 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.

## p. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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.

## q. 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 asset 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 asset or the end of

the lease term. In addition, the right-of-use asset 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.

## r. 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.

## s. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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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. .

## **t. DIVIDEND**

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.

## **u. 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.

## **v. 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, 2021, except for the adoption of new standards effective or amendments to the existing Indian Accounting Standards (Ind AS) as of April 01, 2021. 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, 2021 and do not have material impact on the financial statements of the Company.

- a) Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116;
- b) Amendment conceptual framework for financial reporting under Ind AS issued by ICAI;
- c) Amendments to Ind AS 103 : Business combination;
- d) Amendments to Ind AS 116: Covid-19-Related Rent Concessions;
- e) Amendments to Ind AS 105, Ind AS 16 and Ind AS 28;

# Notes to the Standalone Financial Statements for the year ended 31st March 2022

## Note - 3

Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets, Intangibles under development as on 31st March 2022

Sr. Particulars No.	Gross Block			Depreciation / Amortisation			Net	
	Opening as at 1st April 2021	Addition	Deduction	Closing as at 31st March 2022	Charge for the Year	On deduction	Closing as at 31st March 2022	As at 31st March 2021
3.1 Tangible Assets								
1 Freehold Land	558.40	-	-	558.40	-	-	-	558.40
2 ROU - Leasehold Land	3,704.09	610.34	-	4,314.43	47.52	-	132.48	3,619.13
3 ROU - Building	797.13	-	-	797.13	131.03	-	393.09	535.07
4 Building	20,009.96	2,793.64	-	22,803.60	797.79	-	4,571.62	16,236.13
5 Plant & Machinery	57,295.91	11,720.94	441.43	68,575.42	4,322.07	244.14	21,248.62	40,125.22
6 Furniture & Fixtures	1,038.37	386.66	-	1,425.03	109.28	-	440.87	706.78
7 Vehicles	1,436.07	33.06	58.03	1,411.10	149.68	51.07	837.46	697.22
8 Computers	204.35	35.20	28.60	210.95	30.67	16.31	146.52	72.19
9 Other Equipments	599.21	682.50	27.91	1,253.80	138.41	27.48	404.25	305.89
Sub Total	85,643.49	16,262.34	555.97	1,01,349.86	5,726.45	339.00	28,174.91	62,856.03
3.3 Intangible Assets								
1 Software Licenses	140.67	15.00	-	155.67	16.19	-	118.64	38.22
2 Product Licenses	2,137.72	108.90	-	2,246.62	227.79	-	2,015.51	350.00
3 Usage Rights	356.81	-	-	356.81	28.48	-	294.72	90.57
Sub Total	2,635.20	123.90	-	2,759.10	272.46	-	2,428.87	478.79
Total	88,278.69	16,386.24	555.97	1,04,108.96	5,998.91	339.00	30,603.78	63,334.82

## 3.2 Capital Work In Progress/Intangibles under development

Particulars	Capital Work In Progress		Total
	Tangible	Intangible	
<b>As at March 31, 2021</b>	<b>10,586.68</b>	<b>632.36</b>	<b>11,219.04</b>
Addition	15,445.84	251.22	15,697.06
Capitalisation	8,117.23	108.90	8,226.13
<b>As at March 31, 2022</b>	<b>17,915.29</b>	<b>774.68</b>	<b>18,689.97</b>

(₹ In Lakhs)

- (i) Capital Work-In-Progress for Tangible Assets as at 31st March 2022 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.
- (ii) Intangible Assets under Development as at 31st March 2022 comprises expenditure for the development and registration of product licenses, considering which there are no stipulated timelines for completion of activities



# Notes to the Standalone Financial Statements for the year ended 31st March 2022

## Note - 3

Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets, Intangibles under development as on 31st March 2021

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net			
		Opening as at 1st April 2020	Addition	Deduction	Closing as at 31st March 2021	Opening as at 1st April 2020	Charge for the Year	Deduction	Closing as at 31st March 2021	As at 31st March 2021	As at 31st March 2020
3.1 Tangible Assets											
1	Freehold Land	558.40	-	-	558.40	-	-	-	-	558.40	558.40
2	ROU - Leasehold Land	3,704.09	-	-	3,704.09	42.48	42.48	-	84.96	3,619.13	3,661.61
3	ROU - Building	797.13	-	-	797.13	131.03	131.03	-	262.06	535.07	666.10
4	Building	16,910.46	3,099.50	-	20,009.96	3,091.95	681.88	-	3,773.83	16,236.13	13,818.51
5	Plant & Machinery	40,601.20	16,904.99	210.28	57,295.91	13,860.83	3,426.36	116.50	17,170.69	40,125.22	26,740.37
6	Furniture & Fixtures	797.96	261.71	21.30	1,038.37	263.43	78.00	9.84	331.59	706.78	534.53
7	Vehicles	1,483.88	20.66	68.47	1,436.07	630.48	156.56	48.19	738.85	697.22	853.40
8	Computers	179.23	28.62	3.50	204.35	106.42	27.69	1.95	132.16	72.19	72.81
9	Other Equipments	450.70	162.47	13.96	599.21	229.98	74.36	11.02	293.32	305.89	220.72
Sub Total		65,483.05	20,477.95	317.51	85,643.49	18,356.60	4,618.36	187.50	22,787.46	62,856.03	47,126.45
3.3 Intangible Assets											
1	Software Licenses	140.67	-	-	140.67	86.39	16.06	-	102.45	38.22	54.28
2	Product Licenses	2,137.72	-	-	2,137.72	1,394.22	393.50	-	1,787.72	350.00	743.50
3	Usage Rights	356.81	-	-	356.81	229.64	36.60	-	266.24	90.57	127.17
Sub Total		2,635.20	-	-	2,635.20	1,710.25	446.16	-	2,156.41	478.79	924.95
Total		68,118.25	20,477.95	317.51	88,278.69	20,066.85	5,064.52	187.50	24,943.87	63,334.82	48,051.40

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
<b>As at March 31, 2020*</b>	<b>9,637.37</b>	<b>438.90</b>	<b>10,076.27</b>
Addition	8,971.81	193.46	9,165.27
Capitalisation	8,022.50	-	8,022.50
<b>As at March 31, 2021</b>	<b>10,586.68</b>	<b>632.36</b>	<b>11,219.04</b>

(₹ In Lakhs)

(i) Capital Work-In-Progress for Tangible Assets as at 31st March 2021 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) Intangible Assets under Development as at 31st March 2021 comprises expenditure for the development and registration of product licenses. considering which there are no stipulated timelines for completion of activities

\* Restated Pursuant to scheme of arrangement (Refer Note 51)

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## Note - 3

Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets, Intangibles under development as on 31st March 2022 (Contd....)

### 3.2 Capital Work In Progress/Intangibles under development (Contd....)

#### Capital work in progress (CWIP) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14,723.25	2,043.97	929.41	218.66	17,915.29
<b>Total</b>	<b>14,723.25</b>	<b>2,043.97</b>	<b>929.41</b>	<b>218.66</b>	<b>17,915.29</b>

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

₹ In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Agro V	15,517.58	-	-	-	15,517.58

#### Capital work in progress (CWIP) Ageing Schedule As at 31 March 2021

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,881.58	1,488.21	216.89	-	10,586.68
<b>Total</b>	<b>8,881.58</b>	<b>1,488.21</b>	<b>216.89</b>	<b>-</b>	<b>10,586.68</b>

#### Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in IADU for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	408.86	155.06	65.56	145.20	774.68
<b>Total</b>	<b>408.86</b>	<b>155.06</b>	<b>65.56</b>	<b>145.20</b>	<b>774.68</b>

Also refer note 3.2 (ii) above

#### Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2021

₹ In Lakhs

Particulars	Amount in IADU for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	189.20	94.21	93.83	255.12	632.36
<b>Total</b>	<b>189.20</b>	<b>94.21</b>	<b>93.83</b>	<b>255.12</b>	<b>632.36</b>

## 4 INVESTMENTS IN SUBSIDIARIES

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Investment at cost</b>		
<b>(i) Investments in Equity Shares of Subsidiaries (Unquoted)</b>		
(i) 2,92,500 (31st March 2021 - 2,92,500) Equity Shares of Meghmani Organics Inc., USA of USD 1 each	139.70	139.70
(ii) 1 (31st March 2021 - 1) Equity Shares of Meghmani Overseas FZE of AED 35,000 each	4.56	4.56

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 4 INVESTMENTS IN SUBSIDIARIES (Contd..)

Particulars	₹ in Lakhs	
	31st March 2022	31st March 2021
(iii) 50,000 (31st March 2021 - 50,000) Equity Shares of Meghmani Synthesis Limited of ₹ 10/- each	5.00	5.00
(iv) 1,21,50,000 (31st March 2021 - Nil) Equity Shares of Kilburn Chemicals Limited of ₹ 10/- each **	1,215.00	-
(v) 2,50,000 (31st March 2021 - 2,50,000) Equity Shares of PT Meghmani Organics Indonesia of USD 1 each	123.30	123.30
Less - Impairment of Investments in Equity Shares of PT Meghmani Organics Indonesia (Refer Note (i) below)	(123.30)	(123.30)
<b>(ii) Investment in Perpetual Securities of subsidiary (Unquoted) (refer note (ii) below)</b>		
Perpetual securities - Kilburn Chemicals Limited (31st March 2021 - Nil) (Refer Note 50) **	12,326.00	-
<b>TOTAL</b>	<b>13,690.26</b>	<b>149.26</b>

## TOTAL INVESTMENTS IN UNQUOTED EQUITY SHARES OF SUBSIDIARIES

Particulars	₹ in Lakhs	
	31st March 2022	31st March 2021
Aggregate Value Of Investments(including perpetual securities) in Subsidiaries (Gross)	13,813.56	272.56
Aggregate Value of Impairment of Investments in Subsidiary	123.30	123.30

**Note (i)** - The Subsidiary has discontinued business operations and the management is awaiting approval from regulatory authorities of Indonesia to formally close down the Entity

### Note (ii) Investment in perpetual securities

The Company has invested in unsecured non convertible non cumulative perpetual securities issued by Kilburn Chemical Limited., its subsidiary company. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of 8%. The interest can be deferred if the issuer does not pay any dividend on its ordinary shares for the financial year. The issuer has classified this instrument as equity under Ind AS - 32 'Financial Instruments Presentation'. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS - 27 'Separate Financial Statements'. Also refer note 50

\*\* Subscribed during the year w.e.f. 16th December 2021

## 5 FINANCIAL ASSETS : INVESTMENTS

Particulars	₹ in Lakhs	
	31st March 2022	31st March 2021
<b>Investment at fair value through Other Comprehensive Income</b>		
<b>(i) Investments in Equity Shares (Unquoted)</b>		
(i) 4 (31st March 2021 - 4) Equity Shares of Alaukik Owners Association of ₹100/- each #	0	0
(ii) 5,17,085 (31st March 2021 - 5,17,085) Equity Shares of Narmada Clean Tech of ₹10/- each	51.71	51.71
(iii) 14,000 (31st March 2021 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of ₹10/- each	1.40	1.40
(iv) 500 (31st March 2021 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of ₹10/- each	0.05	0.05
(v) 30,000 (31st March 2021 - 30,000) Equity Shares of Panoli Enviro Technology of ₹10/- each	3.00	3.00
(vi) 100 (31st March 2021 - 100) Equity Shares of Sanand Eco Project Limited of ₹10/- each	0.01	0.01

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 5 FINANCIAL ASSETS : INVESTMENTS (Contd..)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
(vii) 2,000 (31st March 2021 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of ₹50/- each	1.00	1.00
(viii) 10 (31st March 2021 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of ₹50/- each	0.01	0.01
<b>Total (I)</b>	<b>57.18</b>	<b>57.18</b>
<b>Investment at fair value through Profit and Loss</b>		
<b>(II) Investments in Redeemable Preference Shares (RPS) (Unquoted)</b>		
210,919,871 (31st March 2021 - 210,919,871) 8% RPS of Meghmani Finechem Limited of ₹ 10/- each (Refer Note 51)	21,091.99	20,145.95
<b>Total (II)</b>	<b>21,091.99</b>	<b>20,145.95</b>
<b>Investment at Amortised Cost</b>		
<b>(III) Investments in Government Securities (Unquoted)</b>		
National Savings Certificates	0.03	0.03
<b>Total (III)</b>	<b>0.03</b>	<b>0.03</b>
<b>Total (I+II+III)</b>	<b>21,149.20</b>	<b>20,203.16</b>

Note - # Amount is less than ₹ 0.01 Lakh

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Aggregate Value Of Investments in unquoted Investments	21,149.20	20,203.16

Note - i) Aggregate and Fair value of Quoted investment is ₹ Nil  
 ii) Aggregate value of impairment of Investment is ₹ Nil

## 6 OTHER FINANCIAL ASSETS (NON CURRENT)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Security Deposits	660.92	505.04
Bank Deposits with original maturity of more than 12 months (including interest accrued) (Refer Note below)	557.09	556.68
<b>TOTAL</b>	<b>1,218.01</b>	<b>1,061.72</b>

Note : -

Margin money deposits amounting ₹ 557.09 Lakhs are given as security against guarantees with Banks (31st March 2021 - ₹ 556.68 Lakhs). These deposits are made for varying periods of 1 year to 5 years and earns interest ranging between 5.00% to 6.25% (31st March 2021 - 4.90% to 6.75%).

## 7 INCOME TAX ASSETS (NET)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Advance payment of Income Tax and TDS (Net of Provision)	2,046.06	1,283.41
<b>TOTAL</b>	<b>2,046.06</b>	<b>1,283.41</b>

## 8 OTHER NON-CURRENT ASSETS

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Capital Advances	1,443.46	475.68
Balances with Government Authorities (Amount Paid Under Protest)	228.50	324.46
<b>TOTAL</b>	<b>1,671.96</b>	<b>800.14</b>



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 9 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Raw Materials	16,508.93	8,834.62
Raw Materials in Transit	1,688.37	487.39
Work In Process	3,256.17	2,206.81
Finished Goods	11,001.33	9,150.02
Finished Goods in Transit	27,453.54	14,815.16
Stock in Trade	27.67	68.21
Stores and Spares	1,169.68	888.95
Others (Packing Material and Fuel Stock)	1,683.81	872.99
<b>TOTAL</b>	<b>62,789.50</b>	<b>37,324.15</b>

## 10 INVESTMENTS

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Investment at fair value through Profit and Loss</b>		
<b>Investments in Mutual Funds (Quoted) (Fully Paid)</b>		
Axis Liquid Fund	-	4,809.79
LIC MF Liquid Fund Direct Plan Growth	-	5,133.86
SBI Mutual Fund	-	300.21
<b>TOTAL</b>	<b>-</b>	<b>10,243.86</b>
Aggregate Carrying value Of Quoted Investments	-	10,243.86
Aggregate Market value Of Quoted Investments	-	10,243.86

## 11 TRADE RECEIVABLES

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Trade receivables</b>		
Secured, Considered Good	155.22	134.88
Unsecured, Considered Good	54,159.68	40,452.35
Trade receivables which have significant increase in credit risk	292.73	237.00
Trade receivables - credit impaired	649.60	1,325.01
	<b>55,257.23</b>	<b>42,149.24</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	(292.73)	(237.00)
Trade receivables - credit impaired	(649.60)	(1,325.01)
<b>TOTAL</b>	<b>54,314.90</b>	<b>40,587.23</b>

Trade receivable are secured to the extent of deposit received from the customers.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

For amounts due and terms and conditions relating to related party receivables, Refer Note 44.

For information about Credit Risk and Market Risk related to Trade Receivables, Refer Note 45.

### Trade receivables Ageing Schedule

As at 31 March 2022

₹ in Lakhs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	43,895.65	9,685.88	635.63	-	-	-	54,217.16
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	289.45	-	-	-	289.45

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 11 TRADE RECEIVABLES (Contd....)

₹ in Lakhs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable – credit impaired	-	-	-	144.25	69.81	48.56	262.62
Disputed Trade receivables – considered good	-	-	97.74	-	-	-	97.74
Disputed Trade receivables – which have significant increase in credit risk	-	-	3.28	-	-	-	3.28
Disputed Trade receivables – credit impaired	-	-	24.43	44.94	114.25	203.36	386.98
<b>Total</b>	<b>43,895.65</b>	<b>9,685.88</b>	<b>1,050.53</b>	<b>189.19</b>	<b>184.06</b>	<b>251.92</b>	<b>55,257.23</b>

As at 31 March 2021

₹ in Lakhs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	29,513.29	10,700.49	373.45	-	-	-	40,587.23
Undisputed Trade Receivables – which have significant increase in credit risk	-	237.00	-	-	-	-	237.00
Undisputed Trade receivable – credit impaired	-	-	-	437.65	219.49	267.42	924.55
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	184.00	77.71	138.76	400.46
<b>Total</b>	<b>29,513.29</b>	<b>10,937.49</b>	<b>373.45</b>	<b>621.64</b>	<b>297.19</b>	<b>406.18</b>	<b>42,149.24</b>

## 12 CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Balance with Banks in current accounts	899.41	726.50
Cash on hand	6.92	7.37
Bank deposits with original maturity of less than three months	-	1,300.00
<b>TOTAL</b>	<b>906.33</b>	<b>2,033.87</b>

### Note

Fixed bank deposits amounting ₹ Nil (31st March 2021 - ₹ 1,300 Lakhs) were for varying period ranging between 1 day to 3 months and earned interest approximately @ 6.25% (31st March 2021 - 6.25%)

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 13 OTHER BANK BALANCES

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Deposits with original maturity of more than three months but less than twelve months (Refer Note below)	4.54	16.01
Earmarked balances for Unclaimed Dividend	72.58	61.15
<b>TOTAL</b>	<b>77.12</b>	<b>77.16</b>

### Note

Deposits amounting ₹ 4.54 Lakhs are given as security against guarantees with Banks (31st March 2021 - ₹ 16.01 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 4.90% to 6.00%. (31st March 2021 5.80% to 7.00%).

## 14 LOANS

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Loans to Employees (Refer Note below)	47.90	39.86
<b>TOTAL</b>	<b>47.90</b>	<b>39.86</b>

### Note

The loans to employees are interest free and are generally for a 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.

## 15 OTHER FINANCIAL ASSETS (CURRENT)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Export Benefit Receivable	675.66	2,083.62
Dividend Receivable on RPS (Refer Note 51)	1,385.48	-
Bank Deposit (Refer Note below)	118.62	-
Other Deposit	0.20	0.20
Balance with Government Authorities (GST Refund)	11,791.46	1,509.89
<b>TOTAL</b>	<b>13,971.42</b>	<b>3,593.71</b>

Deposits amounting ₹ 118.62 Lakhs are given as security against guarantees with Banks (31st March 2021 - ₹ Nil). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 4.90% to 6.00% (31st March 2021: Nil).

## 16 OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Balance with Government Authorities (Refer Note below)	6,296.43	3,631.73
Advances to Suppliers	493.77	413.86
Employee Imprest	8.03	-
Prepaid Expenses	612.75	595.64
Export Benefit Receivable	1,677.99	-
Others	130.69	119.78
<b>TOTAL</b>	<b>9,219.66</b>	<b>4,761.01</b>

**Note:** Balance with Government Authorities includes VAT / Cenvat / Service Tax credit receivable and GST.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 17 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	₹ in Lakhs
Equity shares of ₹ 1 each.		
<b>As at 1st April 2020*</b>	37,00,00,000	3,700.00
Changes during the year	-	-
<b>As at 31st March 2021</b>	37,00,00,000	3,700.00
Changes during the year	-	-
<b>As at 31st March 2022</b>	37,00,00,000	3,700.00

ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	No. of shares	₹ in Lakhs
<b>Equity shares of Re. 1 each.</b>	25,43,14,211	2,543.14

### Reconciliation of shares outstanding at the beginning and at the end of the Year

Particulars	No. of shares	₹ in Lakhs
Equity shares of ₹ 1 each.		
<b>As at 1st April 2020*</b>	25,43,14,211	2,543.14
Changes during the year	-	-
<b>As at 31st March 2021</b>	25,43,14,211	2,543.14
Changes during the year	-	-
<b>As at 31st March 2022</b>	25,43,14,211	2,543.14

\*Restated Pursuant to scheme of arrangement (Refer Note 51)

### Terms / Rights attached to Equity shares

The Company has one class of Equity Shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

### Details of Equity shares of ₹ 1 each, as held by promoters

**As at 31 March 2022**

Promoter Name	No. of shares at the beginning of the year*	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. Jayanti Patel	1,80,24,390	-	1,80,24,390	7.09%	0.00%
Mr. Ashish Soparkar	2,54,40,396	1,00,000	2,55,40,396	10.04%	0.04%
Mr. Natwarlal Patel	2,07,39,850	1,58,000	2,08,97,850	8.22%	0.06%
Mr. Ramesh Patel	1,58,85,567	26,500	1,59,12,067	6.26%	0.01%
Mr. Anand Patel	78,93,200	50,000	79,43,200	3.12%	0.02%
Mr. Ankit Patel	32,53,260	40,000	32,93,260	1.29%	0.02%
Mr. Karana Patel	19,71,000	-	19,71,000	0.78%	0.00%
Mr. Darshan Patel	11,46,205	-	11,46,205	0.45%	0.00%
<b>Total</b>	<b>9,43,53,868</b>	<b>3,74,500</b>	<b>9,47,28,368</b>		

₹ in Lakhs



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 17 SHARE CAPITAL (Contd....)

As at 31 March 2021

₹ in Lakhs

Promoter Name	No. of shares at the beginning of the year*	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. Jayanti Patel	-	1,80,24,390	1,80,24,390	7.09%	100.00%
Mr. Ashish Soparkar	-	2,54,40,396	2,54,40,396	10.00%	100.00%
Mr. Natwarlal Patel	-	2,07,39,850	2,07,39,850	8.16%	100.00%
Mr. Ramesh Patel	-	1,58,85,567	1,58,85,567	6.25%	100.00%
Mr. Anand Patel	-	78,93,200	78,93,200	3.10%	100.00%
Mr. Ankit Patel	-	32,53,260	32,53,260	1.28%	100.00%
Mr. Karana Patel	-	19,71,000	19,71,000	0.78%	100.00%
Mr. Darshan Patel	-	11,46,205	11,46,205	0.45%	100.00%
Meghmani Organics Limited <sup>#</sup>	50,000	(50,000)	-	0.00%	-100.00%
<b>Total</b>	<b>50,000</b>	<b>9,43,03,868</b>	<b>9,43,53,868</b>		

\*The shares held by erstwhile Company Meghmani Organics Limited (MOL) consisting of 50,000 shares have been cancelled pursuant to the Scheme of Arrangement. Further as per the Scheme, the Company has issued shares to share holders of MOL with effect from April 1, 2020. (Refer note 51)

\*Allotment of shares by Meghmani Organics Limited (Formerly known as Meghmani Organochem limited) was made on 20 May, 2021 in accordance with the Scheme of Arrangement and the Company had given effect to the scheme including allotment of shares for the year ended on 31 March, 2021 considering it to be an adjusting event. Accordingly, number of shares held by the promoters on 20 May, 2021 has been considered as held from the beginning of the year and changes during the year for the purpose of above disclosure.

### Details of Shareholder holding more than 5% Equity Shares

₹ in Lakhs

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Jayanti Patel	1,80,24,390	7.09%	1,80,24,390	7.09%
Mr. Ashish Soparkar	2,55,40,396	10.04%	2,54,40,396	10.00%
Mr. Natwarlal Patel	2,08,97,850	8.22%	2,07,39,850	8.16%
Mr. Ramesh Patel	1,59,12,067	6.26%	1,58,85,567	6.25%
<b>Total</b>	<b>8,03,74,703</b>	<b>31.60%</b>	<b>8,00,90,203</b>	<b>31.49%</b>

### Dividend Distribution made and proposed

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Dividends on Equity shares declared and paid:</b>		
Final dividend for 31 March 2021: ₹ 1.40 per share (31 March 2020: ₹ Nil per share)	3,560.39	-
<b>Proposed dividends on Equity shares:</b>		
Proposed dividend for 31 March 2022: ₹ 1.40 per share (31 March 2021: ₹ 1.40 per share)	3,560.39	3,560.39

## 18 Other Equity

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>(1) Securities Premium</b>		
Balance as at the Beginning of the year	15,650.48	15,650.48
<b>Balance as at the end of the year</b>	<b>15,650.48</b>	<b>15,650.48</b>
<b>(2) Capital Reserve</b>		
Balance as at the Beginning of the year	(6,991.82)	(6,991.82)
<b>Balance as at the end of the year</b>	<b>(6,991.82)</b>	<b>(6,991.82)</b>
<b>(3) General Reserve</b>		
Balance as at the Beginning of the year	12,467.18	12,467.18
<b>Balance as at the end of the year</b>	<b>12,467.18</b>	<b>12,467.18</b>
<b>(4) Capital Redemption Reserve</b>		
Balance as at the Beginning of the year	184.33	184.33
<b>Balance as at the end of the year</b>	<b>184.33</b>	<b>184.33</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 18 Other Equity (Contd....)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>(5) Retained Earning</b>		
Balance as at the Beginning of the year	92,873.00	74,351.22
Add : Profit for the Year	30,797.22	18,501.43
Add : Other Comprehensive Income for the Year (Net)	43.08	20.35
	<b>1,23,713.30</b>	<b>92,873.00</b>
<b>Less : Appropriation</b>		
Dividend Paid	3,560.39	-
	<b>3,560.39</b>	<b>-</b>
<b>Balance as at the end of the year</b>	<b>1,20,152.91</b>	<b>92,873.00</b>
<b>TOTAL</b>	<b>1,41,463.08</b>	<b>1,14,183.17</b>

### Nature and purpose of reserves :

#### Securities premium

In cases where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares has been transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and to buy-back of shares.

#### Capital Reserve

The Capital Reserve represents difference between consideration paid and net assets acquired under common control business combination transaction.

#### General reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

#### Capital Redemption Reserve

Capital Redemption Reserve was created for buy-back of shares in earlier years.

## 19 BORROWINGS

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>SECURED</b>		
<b>Term Loan Facilities from Banks :</b>		
In Indian Currency (Refer Note - iii below)	14,933.97	-
In Foreign currency (Refer Note - i & ii)	12,102.05	16,315.10
<b>TOTAL</b>	<b>27,036.02</b>	<b>16,315.10</b>
Current maturity of long term borrowing disclosed under 'short term borrowings' (Refer Note 24)	6,157.40	3,992.02
<b>Total non-current borrowing</b>	<b>20,878.62</b>	<b>12,323.08</b>
<b>The above amounts includes:</b>		
Secured borrowing	20,878.62	12,323.08
Unsecured borrowing	-	-

Refer Note No - 45 for Interest rate Risk and Liquidity Risk.

### Details of Security and Repayment Terms :

- The Company has Rupee Term Loan facility of ₹ 9,200.00 Lakhs (31 March 2021: ₹ 9,200.00 Lakhs). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company (b) Assignment of Lease Hold Land used for Windmill (c) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company (excluding the assets charged specifically to other lenders).

During the year 2019-2020, outstanding India Rupee loan of ₹ 6,899.23 lakhs had been converted into foreign currency loan of Euro 87.41 lakhs. The borrowing carries interest at 6 month Euribor + 1.75% p.a. payable at monthly rest. The effective interest rate is 1.75% for the year. Outstanding balance for this borrowing is Euro 48.56 lakhs equivalent to ₹ 4,089.79 lakhs (as at 31 March 2021: ₹ 5,829.72 lakhs). As per the terms, the foreign loan is repayable in 9 half yearly instalments starting from financial year 2020-21

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 19 BORROWINGS (Contd....)

### Repayment of loan is as follows :

1 - Nine half yearly instalment of Euro 9.71 lakhs

- ii The Company has availed External Commercial Borrowing of Euro 123.30 Lakhs (₹ 10,997.25 Lakhs). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company. The borrowing carries interest at 6 month Euribor + 1.20% p.a. payable at 6 monthly rest. The effective interest rate is 1.20% for the year. Outstanding balance for this borrowing is Euro 95.90 lakhs equivalent to ₹ 8,076.70 lakhs (31 March 2021: ₹ 10,572.98 Lakhs). As per the original terms, the loan is repayable in 9 half yearly instalments starting from financial year 2021-22.

### Repayment of loan is as follows :

1 - Nine half yearly instalments of Euro 13.70 lakhs

- iii The Company has availed Rupee Term Loan facility of ₹ 15,000.00 Lakhs (31 March 2021: Nil). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company situated at Chharodi, Ankleshwar, Panoli and Vatva (b) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company situated as Chharodi, Ankleshwar, Panoli and Vatva. The borrowing carries interest at 6.40% p.a. payable at monthly rest. Outstanding balance for this borrowing is INR 15,000 lakhs. As per the terms, the loan is repayable in 20 quarterly instalments starting from financial year 2022-23.

During current financial year, the company has entered into a cross currency swap ("CCS") transaction on the said Rupee Term loan facility whereby outstanding Rupee Term loan has been swapped with notional principal of USD 201.48 lakhs. As per the terms of CCS agreement, the company receives interest at 6.40% p.a. on notional principal of INR 15,000 lakhs and pays interest at 2.05% p.a. on notional principal of USD 201.48 lakhs at monthly rest. As per the notional principal settlement terms of CCS agreement, the company will receive INR 750 lakhs and pay USD 10.07 lakhs in 20 quarterly instalments starting from financial year 2022-23

### Repayment of loan is as follows :

1 - Twenty quarterly instalments of INR 750 lakhs

- 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. The Company has complied with the covenants as per the terms of loan agreements.

## 20 LEASE LIABILITIES (NON - CURRENT / CURRENT)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Non - Current</b>		
Lease Liability (Refer Note - 46)	344.31	487.25
<b>TOTAL</b>	<b>344.31</b>	<b>487.25</b>
<b>Current</b>		
Lease Liability (Refer Note - 46)	142.94	110.74
<b>TOTAL</b>	<b>142.94</b>	<b>110.74</b>

## 21 OTHER FINANCIAL LIABILITIES (NON - CURRENT)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Financial liabilities carried at fair value through profit and loss</b>		
Mark to Market Derivative Liabilities	88.53	-
<b>Financial liabilities carried at Cost</b>		
Employee Benefit Payable	26.91	179.89
<b>TOTAL</b>	<b>115.44</b>	<b>179.89</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 22 PROVISIONS (NON - CURRENT)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Provision for Employee benefits</b>		
Gratuity (Refer Note 41)	1,462.55	1,270.71
Compensated absences	142.16	78.61
<b>TOTAL</b>	<b>1,604.71</b>	<b>1,349.32</b>

## 23 Income Taxes

### (a) Amounts recognised in Profit and Loss

₹ in Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Current Income Tax	8,775.00	6,625.00
Adjustment to tax related to earlier periods	(80.05)	-
Deferred tax relating to origination & reversal of temporary differences	1,751.57	(193.40)
<b>Tax expense for the year</b>	<b>10,446.52</b>	<b>6,431.60</b>

### (b) Amounts recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Items that will not be reclassified to statement of profit and loss</b>		
Tax on Remeasurements of the Defined Benefit Plans	14.49	6.85

### (c) Reconciliation of effective Tax Rate

₹ in Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Profit Before Tax</b>	<b>41,243.74</b>	<b>24,933.03</b>
Tax using the Company's domestic tax rate (31 March 2022: 25.17% and 31 March 2021: 25.17%)	10,380.22	6,275.14
<b>Tax effect on non-deductible Expenses / Income not subjected to tax / other adjustments</b>		
CSR and Donations	93.91	124.00
Others	(5.96)	58.18
<b>Allowable Tax Expenditure</b>		
Differential tax rate on Fair Value Gain on RPS	(21.65)	(25.72)
<b>Total</b>	<b>10,446.52</b>	<b>6,431.60</b>
<b>Effective Tax Rate</b>	<b>25.33%</b>	<b>25.80%</b>

### (d) Movement in Deferred Tax balances for the year ended March 31, 2022

₹ in Lakhs

Particulars	Net balance April 1, 2021	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2022	(Deferred tax liability) as at March 31, 2022
Property, Plant and Equipment	(3,625.81)	(669.53)	-	(4,295.34)	-	(4,295.34)
Trade Receivables	397.75	(160.58)	-	237.17	237.17	-
Loans and Borrowings	(26.19)	(6.65)	-	(32.84)	-	(32.84)
Employee Benefits	321.07	138.96	(14.49)	445.54	445.54	-
Investment	(39.69)	39.69	-	-	-	-
Fair Value gain on RPS	(2,095.67)	(229.77)	-	(2,325.44)	-	(2,325.44)



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 23 Income Taxes (Contd....)

₹ in Lakhs

Particulars	Net balance April 1, 2021	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2022	(Deferred tax liability) as at March 31, 2022
Stamp duty pursuant to Scheme of Arrangement (refer note 51)	635.49	(476.16)		159.33	159.33	-
Dividend on RPS	-	(387.53)		(387.53)	-	(387.53)
<b>Tax Assets/(Liabilities)</b>	<b>(4,433.05)</b>	<b>(1,751.57)</b>	<b>(14.49)</b>	<b>(6,199.11)</b>	<b>842.04</b>	<b>(7,041.15)</b>
Set off						842.04
<b>Net Tax Liabilities</b>						<b>(6,199.11)</b>

### Movement in Deferred Tax balances for the year ended March 31, 2021

₹ in Lakhs

Particulars	Net balance April 1, 2020	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2021	(Deferred tax liability) as at March 31, 2021
Property, plant and equipment	(3,407.31)	(218.50)	-	(3,625.81)	-	(3,625.81)
Trade Receivables	355.57	42.18	-	397.75	397.75	-
Loans and borrowings	(20.58)	(5.62)	-	(26.19)	-	(26.19)
Employee benefits	312.62	15.30	(6.85)	321.07	321.07	-
Investment	(21.41)	(18.28)	-	(39.69)	-	(39.69)
Fair Value gain on OCRPS	(1,838.50)	(257.17)		(2,095.67)	-	(2,095.67)
Stamp duty pursuant to Scheme of Arrangement (refer note 51)	-	635.49		635.49	635.49	-
<b>Tax Assets/(Liabilities)</b>	<b>(4,619.61)</b>	<b>193.40</b>	<b>(6.85)</b>	<b>(4,433.05)</b>	<b>1,354.31</b>	<b>(5,787.36)</b>
Set off						1,354.31
<b>Net tax Liabilities</b>						<b>(4,433.05)</b>

## 24 BORROWINGS

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Loans Repayable on Demand - Cash credit, packing credit, working capital demand loan and Overdraft facility accounts (Refer Note below)</b>		
<b>Secured Loans</b>		
From Banks - In Indian Currency	317.79	513.25
From Banks - In Foreign Currency	10,286.53	9,364.94
Current maturities of Non Current Borrowings (Refer Note 19)	6,157.40	3,992.02
<b>Unsecured Loans</b>		
From Banks - In Indian Currency	6,000.00	-
From Banks - In Foreign Currency	5,785.81	-
<b>TOTAL</b>	<b>28,547.53</b>	<b>13,870.21</b>

i The Company has availed Cash credit, packing credit and working capital demand loans of ₹ 40,000 lakhs (31 March 2021: ₹ 40,000 lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, ICICI Bank Limited, DBS Bank India Limited and Axis Bank Limited (Collectively known as Consortium Bankers). The present consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:

- Interest rates on cash credit loans vary within the range of 7.10 % to 7.40% (31 March 2021: 9.50% to 10.50%).
- Interest rates on packing credit loans vary within the range of USD libor/ SOFR + 0.84% to 1.09% and Euribor + 0.20% to 0.95% (31 March 2021: USD libor + 0.75% and Euribor + 0.75% to 1.05%).

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 24 BORROWINGS (Contd....)

- (c) Interest rates on working capital demand loans and overdraft facility vary within the range of 4.83% to 8.00% (31 March 2021: 7.15% to 8.55%).

### Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets

₹ In Lakhs

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return statement	Amount of difference	Reason for differences
Jun-20	Working Capital Lenders*	Inventory	27,686.90	18,409.81	9,277.09	Refer Note Below
Jun-20	Working Capital Lenders*	Trade Receivables	31,722.67	42,867.32	-11,144.65	
Jun-20	Working Capital Lenders*	Trade Payables	17,911.42	20,297.55	-2,386.13	
Sept-20	Working Capital Lenders*	Inventory	33,060.37	19,775.99	13,284.38	
Sept-20	Working Capital Lenders*	Trade Receivables	38,193.64	51,750.70	-13,557.06	
Sept-20	Working Capital Lenders*	Trade Payables	23,883.82	26,752.61	-2,868.79	
Dec-20	Working Capital Lenders*	Inventory	34,453.31	19,998.99	14,454.32	
Dec-20	Working Capital Lenders*	Trade Receivables	39,218.76	52,404.73	-13,185.97	
Dec-20	Working Capital Lenders*	Trade Payables	25,319.46	27,443.03	-2,123.57	
Mar-21	Working Capital Lenders*	Inventory	37,324.15	22,009.15	15,315.00	
Mar-21	Working Capital Lenders*	Trade Receivables	40,587.23	59,271.76	-18,684.53	
Mar-21	Working Capital Lenders*	Trade Payables	33,904.31	35,698.44	-1,794.13	
Jun-21	Working Capital Lenders*	Inventory	44,111.65	25,914.22	18,197.43	
Jun-21	Working Capital Lenders*	Trade Receivables	41,026.17	59,633.18	-18,607.01	
Jun-21	Working Capital Lenders*	Trade Payables	34,240.01	37,290.05	-3,050.04	
Sept-21	Working Capital Lenders*	Inventory	52,776.69	28,442.71	24,333.98	
Sept-21	Working Capital Lenders*	Trade Receivables	41,360.28	68,650.65	-27,290.37	
Sept-21	Working Capital Lenders*	Trade Payables	38,956.94	41,936.58	-2,979.64	
Dec-21	Working Capital Lenders*	Inventory	63,759.35	36,337.89	27,421.46	
Dec-21	Working Capital Lenders*	Trade Receivables	42,554.28	79,603.75	-37,049.47	
Dec-21	Working Capital Lenders*	Trade Payables	49,211.66	53,058.34	-3,846.68	

\*HDFC Bank, DBS, Axis Bank, SBI, ICICI bank are represented as working capital lenders

#### Note - 'Reason for differences:

- The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends. Similarly, goods in transit for goods which have not reached respective Company locations are not considered however, considered as purchases as per accounting principles. This has lead to offsetting differences between Inventory, trade receivables and trade payable balances.
- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.
- There are other differences on account of regrouping and reclassification of trade receivable and trade payable balances including adjustment of advances received / given from / to customers / vendors. The Company has filed provisional return with banks for the quarter ended March 31 2022, as per the due date and subsequently filed final return with respective banks on May 2, 2022 where amounts as per return matches with underlying books of accounts as at March 31, 2022.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 25 TRADE PAYABLES

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Outstanding Dues of Micro and Small Enterprises (Refer Note 40)	7,269.94	3,176.23
Outstanding Dues of Creditors other than Micro and Small Enterprises (Refer Note below)	49,975.31	30,728.08
<b>TOTAL</b>	<b>57,245.25</b>	<b>33,904.31</b>

### Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with Related Parties, Refer Note 44. Refer Note 45 for Company's credit risk management processes.

### Trade payables Ageing Schedule

As at 31 March 2022

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	4,333.69	2,936.25	-	-	-	7,269.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,300.79	34,796.81	13,523.02	280.09	71.10	3.50	49,975.31
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>1,300.79</b>	<b>39,130.50</b>	<b>16,459.27</b>	<b>280.09</b>	<b>71.10</b>	<b>3.50</b>	<b>57,245.25</b>

As at 31 March 2021

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	1,967.17	1,209.06	-	-	-	3,176.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	886.18	18,475.47	11,034.64	250.30	34.28	47.21	30,728.08
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>886.18</b>	<b>20,442.64</b>	<b>12,243.70</b>	<b>250.30</b>	<b>34.28</b>	<b>47.21</b>	<b>33,904.31</b>

## 26 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
<b>Financial liabilities carried at amortised cost</b>		
Interest accrued but not due on borrowings	107.63	26.33
Employee Benefits Payable	3,339.06	2,533.59

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 26 OTHER FINANCIAL LIABILITIES (CURRENT) (Contd..)

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Unclaimed Dividend	72.58	61.15
Payable for retention money	394.43	153.30
Payables for Capital Goods	3,337.62	3,074.92
Security Deposits Payable	391.00	342.80
Expenses Payable	90.15	2,948.60
<b>Financial liabilities carried at fair value through profit and loss</b>		
Mark to Market Derivative Liabilities	15.62	-
<b>TOTAL</b>	<b>7,748.09</b>	<b>9,140.69</b>

## 27 OTHER CURRENT LIABILITIES

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Advance from Customers	4,283.97	2,050.72
Statutory dues payable	272.91	190.58
Other Payable	-	1.73
<b>TOTAL</b>	<b>4,556.88</b>	<b>2,243.03</b>

## 28 PROVISIONS (CURRENT)

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
<b>Provisions for Employee Benefits</b>		
Leave Encashment	16.04	11.46
<b>TOTAL</b>	<b>16.04</b>	<b>11.46</b>

## 29 CURRENT TAX LIABILITIES (NET)

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Current Tax Payable (net)	1,892.33	1,933.06
<b>TOTAL</b>	<b>1,892.33</b>	<b>1,933.06</b>

## 30 REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Revenue From Operations</b>		
i - Manufactured Goods	2,45,423.03	1,58,339.22
ii - Traded Goods	1,408.06	1,501.09
<b>Total Revenue From Operations</b>	<b>2,46,831.09</b>	<b>1,59,840.31</b>
<b>Other Operating Revenue</b>		
i - Export benefits and other incentives	2,055.79	2,141.38
ii - Scrap Sales	510.27	362.59
<b>Total Other Operating Revenue</b>	<b>2,566.06</b>	<b>2,503.97</b>
<b>TOTAL</b>	<b>2,49,397.15</b>	<b>1,62,344.28</b>

### 30.1 Disaggregated revenue information

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

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Type of goods</b>		
Pigments	75,129.49	56,943.44
Agro Chemicals	1,71,701.60	1,02,896.87
<b>Total revenue from contracts with customers</b>	<b>2,46,831.09</b>	<b>1,59,840.31</b>



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 30 REVENUE FROM OPERATIONS (Contd..)

Particulars	₹ In Lakhs	
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Geographical location of customer</b>		
India	35,092.57	33,807.68
Outside India	2,11,738.52	1,26,032.63
<b>Total revenue from contracts with customers</b>	<b>2,46,831.09</b>	<b>1,59,840.31</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	2,46,831.09	1,59,840.31
<b>Total revenue from contracts with customers</b>	<b>2,46,831.09</b>	<b>1,59,840.31</b>

### 30.2 Contract assets and contract liabilities

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

Particulars	₹ In Lakhs	
	31st March 2022	31st March 2021
Trade Receivables	54,314.90	40,587.23
Advance from customers	4,283.97	2,050.72

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extent of deposit received from the customers. As at March 2022, ₹ 942.33 Lakhs (March 2021: ₹1,562.01 Lakhs) was recognised as provision for expected credit losses on trade receivables

Advance from customers includes short term advance received for sale of products.

### 30.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	₹ In Lakhs	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue as per contracted price	2,48,659.93	1,61,440.41
<b>Adjustments</b>		
Sales return	(731.62)	(903.29)
Trade and Cash Discount	(1,097.22)	(696.81)
<b>Revenue from contract with customer</b>	<b>2,46,831.09</b>	<b>1,59,840.31</b>

### 30.4 Performance obligation

Information about the Company's performance obligations are summarised below:

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.

### 30.5 Information about major customers

For Information about major customers Refer Note 43.

## 31 OTHER INCOME

Particulars	₹ In Lakhs	
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>OTHER NON OPERATING INCOME</b>		
<b>Interest Income on</b>		
- Bank Deposits	33.96	33.85
- Others	204.31	230.93
Dividend Income on investment in Redeemable preference shares	1,539.78	-
Net Gain on Foreign Currency transactions	4,497.80	673.83
Liabilities No Longer Required Written Back	2,071.77	158.14
Net gain on Investment in Mutual Funds	298.08	179.44
Fair Value Gain on investment in RPS measured at FVTPL (refer note 51)	946.04	1,124.00
Miscellaneous Income	31.77	71.64
<b>TOTAL</b>	<b>9,623.51</b>	<b>2,471.83</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 32 COST OF MATERIALS CONSUMED

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Pigments	48,717.33	30,217.65
Agro Chemicals	1,11,039.33	64,729.98
<b>TOTAL</b>	<b>1,59,756.66</b>	<b>94,947.63</b>

### Note:-

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

## 33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>(A) Inventories at the beginning of the year</b>		
(i) Finished Goods	9,150.02	10,599.73
(ii) Finished Goods in Transit	14,815.16	7,382.50
(iii) Stock in Trade	68.21	184.26
(iv) Work-in-Progress (WIP)	2,206.81	1,319.76
<b>TOTAL (A)</b>	<b>26,240.20</b>	<b>19,486.25</b>
<b>(B) Inventories at the end of the year</b>		
(i) Finished Goods	11,001.33	9,150.02
(ii) Finished Goods in Transit	27,453.54	14,815.16
(iii) Stock in Trade	27.67	68.21
(iv) Work-in-Progress (WIP)	3,256.17	2,206.81
<b>TOTAL (B)</b>	<b>41,738.71</b>	<b>26,240.20</b>
<b>TOTAL (A - B) Changes in Inventories</b>	<b>(15,498.51)</b>	<b>(6,753.95)</b>

## 34 EMPLOYEE BENEFIT EXPENSE

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salary, Wages and Bonus	7,784.94	6,993.17
Directors Remuneration (Including Contribution to Provident Fund) (Refer Note 44)	2,610.73	1,881.75
Contribution to Provident Fund, Other Funds and Gratuity (Refer Note 41)	528.68	473.55
Staff Welfare Expenses	776.20	692.74
<b>TOTAL</b>	<b>11,700.55</b>	<b>10,041.21</b>

## 35 FINANCE COSTS

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Interest expense on :</b>		
- Term Loans	207.18	211.44
- Cash Credit and Working Capital Demand Loan	201.89	153.83
- Lease Liability (Refer Note 46)	46.58	55.57
- Others	236.73	236.93
Exchange difference on borrowing costs	(159.05)	212.69
Loss on Derivative Instruments	104.15	-
Other borrowing Costs (includes bank charges, etc.)	295.81	245.72
<b>TOTAL</b>	<b>933.29</b>	<b>1,116.18</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 36 OTHER EXPENSES

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Consumption of Stores and Spares	1,821.51	1,382.19
Power and Fuel	19,388.27	10,044.86
<b>Repairs and maintenance:</b>		
- Buildings	266.27	115.57
- Plant and Machinery	1,952.28	1,347.83
Pollution Control Expenses	3,038.49	2,120.53
Labour Contract Charges	2,824.70	2,358.13
Rent (Refer Note 46)	117.05	66.17
Rates and Taxes	153.95	144.71
Insurance	662.44	904.10
Consumption of Packing Materials	6,061.45	4,138.85
Loss on Sale / Discarded Property, plant and equipment	74.22	80.96
Freight Expenses	10,848.77	3,377.70
Provision For Doubtful Debts and Advances	-	167.61
Stamp Duty Expenses (refer note 51)	-	2,500.00
Water charges	691.70	691.85
Expenditure towards Corporate Social Responsibility (Refer Note - i below)	363.47	476.06
Payments to the Auditors (Refer Note - ii below)	42.21	35.07
Miscellaneous Expenses	6,058.56	4,609.78
<b>TOTAL</b>	<b>54,365.34</b>	<b>34,561.97</b>

### i Details of Corporate Social Responsibility (CSR Expenditure)

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Amount Required to be spent during the year	363.47	359.24
Amount of opening unspent CSR expenses spent during the year pursuant to representation made by the Company with ROC & NCLT	-	116.82
Amount approved by the Board to be spent during the year	363.47	476.06
Amount Spent during the year	248.47	476.06
i - Construction / Acquisition of an Assets	-	-
ii - On Purposes other than (i) above	248.47	476.06
Amount yet to be spent	115.00	-
<b>Details related to spent / unspent obligations:</b>		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	248.47	476.06
iii) Unspent amount	115.00	-

### Details of Ongoing Projects :

#### In case of S. 135(6) (Ongoing Project)

Particulars	₹ in Lakhs
<b>Opening Balance</b>	-
With Company	-
In Separate CSR Unspent Account	-
Amount Required to be spent during the year	363.47
<b>Amount spent during the year</b>	
From Company's Bank account	248.47
From Separate CSR unspent account	-
<b>Closing Balance</b>	
With Company	-
In Separate CSR Unspent Account	115.00

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 36 OTHER EXPENSES (Contd...)

₹ In Lakhs

ii	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
	<b>Payments to Auditors (Excluding taxes)</b>		
	(a) as Auditors	38.25	32.40
	(b) for Other Services	2.95	1.60
	(c) for Reimbursement of Expenses	1.01	1.07
	<b>TOTAL</b>	<b>42.21</b>	<b>35.07</b>

## 37 EXCEPTIONAL ITEMS

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Insurance Claim Received (Refer Note below)	(611.14)	(650.00)
<b>TOTAL</b>	<b>(611.14)</b>	<b>(650.00)</b>

During the year ended March 31, 2019, there was fire at one of the manufacturing unit of Company at Dahej location for which an on account amount of ₹ 650 lakhs was received during the year ended March 31, 2021, pending final claim assessment and settlement. The Company received final claim settlement order of ₹ 611.14 lakhs during the current year. The above amounts of claims received are disclosed as exceptional items in the respective year ends.

## 38 OTHER COMPREHENSIVE INCOME

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Statement of other comprehensive income</b>		
Remeasurement gain on defined benefit plans (Refer Note 41)	57.57	27.20
Income tax effect on above	(14.49)	(6.85)
<b>Total</b>	<b>43.08</b>	<b>20.35</b>

## 39 EARNINGS PER SHARE

Basic and 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.

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

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit attributable to Equity Shareholders	30,797.22	18,501.43
Weighted Average number of Equity Shares outstanding (Nos)	25,43,14,211	25,43,14,211
Basic and Diluted Earnings Per Share (₹)	12.11	7.28
Face value per Equity Share (₹)	1	1

**40** The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 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 March 31, 2022 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance- Sheet date.



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 40 (Contd...)

The details as required by MSMED Act are given below:

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
<b>Principal and Interest Amount</b>		
Trade Payable	7,269.94	3,176.23
Capital Payable	1,153.26	144.74
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid)	0.05	58.16
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, 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	-	-

On 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.

## 41 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 summaries the components of net benefit expense recognised in the statement of profit or 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	31st March 2022	31st March 2021
<b>Opening balance of defined benefit obligation</b>	1,764.43	1,561.34
Service Cost		
a. Current Service Cost	181.01	156.91
Interest Cost	95.27	88.36
Benefits Paid	(57.72)	(46.86)
Re-measurements		
b. Actuarial Loss/(Gain) from changes in financial assumptions	(17.94)	20.97
c. Actuarial Loss/(Gain) from experience over the past period	(15.98)	(16.29)
<b>Closing balance of the defined benefit obligation</b>	<b>1,949.07</b>	<b>1,764.43</b>

**Table 2: Reconciliation of Fair Value of Plan Assets**

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
<b>Opening Balance of Fair Value of Plan Assets</b>	<b>493.72</b>	<b>477.13</b>
Contributions by Employer	1.84	5.73
Benefits Paid	(57.72)	(46.86)
Interest Income on Plan Assets	25.03	25.84
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)	23.65	31.88
<b>Closing Balance of Fair Value of Plan Assets</b>	<b>486.52</b>	<b>493.72</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 41 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS (Contd...)

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Actual Return on Plan Assets	48.68	57.72
Expected Employer Contributions for the coming period	100.00	100.00

**Table 3: Expenses recognised in the Profit and Loss Account**

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Service Cost		
Current Service Cost	181.01	156.91
Net Interest on net defined benefit liability/ (asset)	70.24	62.52
<b>Employer Expenses</b>	<b>251.25</b>	<b>219.43</b>

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

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Present Value of DBO	1,949.07	1,764.43
Fair Value of Plan Assets	486.52	493.72
<b>Liability/ (Asset) recognised in the Balance Sheet</b>	<b>1,462.55</b>	<b>1,270.71</b>
<b>Funded Status [Surplus/(Deficit)]</b>	<b>(1,462.55)</b>	<b>(1,270.71)</b>
<b>Experience Adjustment on Plan Liabilities: (Gain)/Loss</b>	<b>(15.98)</b>	<b>(16.29)</b>

**Table 5: Percentage Break-down of Total Plan Assets**

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	0%	19%
Of which, Traditional/ Non-Unit Linked	100%	89%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**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.

**Table 6: Actuarial Assumptions**

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Salary Growth Rate	10%	10%
Discount Rate	5.6% p.a.	5.4% p.a.
Withdrawal Rate	12% pa	12% pa
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	5.4% p.a.	5.7% p.a.
Expected weighted average remaining working life	3.5 years	4 years

**Table 7: Movement in Other Comprehensive Income**

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
<b>Opening Balance (Loss)</b>	<b>(414.28)</b>	<b>(441.48)</b>
<b>Re-measurements on DBO</b>		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	17.94	(20.97)
c. Actuarial (Loss)/Gain from experience over the past period	15.98	16.29
<b>Re-measurements on Plan Assets</b>		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	23.65	31.88
<b>Closing Balance (Loss)</b>	<b>(356.71)</b>	<b>(414.28)</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 41 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS (Contd...)

**Table 8: Sensitivity Analysis**

Financial year ended March 31, 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 88.79 Lakhs	DBO decreases by ₹ 81.89 Lakhs
Discount Rate	DBO decreases by ₹ 84.40 Lakhs	DBO increases by ₹ 93.58 Lakhs
Withdrawal Rate	DBO decreases by ₹ 17.83 Lakhs	DBO increases by ₹ 19.58 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.33 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.98 Lakhs	

Financial period ended March 31, 2021	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 81.56 Lakhs	DBO decreases by ₹ 75.29 Lakhs
Discount Rate	DBO decreases by ₹ 77.74 Lakhs	DBO increases by ₹ 86.13 Lakhs
Withdrawal Rate	DBO decreases by ₹ 16.45 Lakhs	DBO increases by ₹ 18.08 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.70 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 1.41 Lakhs	

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

**Table 9: Movement in Surplus/ (Deficit)**

Particulars	₹ In Lakhs	
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Surplus/ (Deficit) at start of year</b>	<b>(1,270.71)</b>	<b>(1,084.21)</b>
Movement during the year		
Current Service Cost	(181.01)	(156.91)
Net Interest on net DBO	(70.24)	(62.52)
Actuarial gain/ (loss)	57.57	27.20
Contributions	1.84	5.73
<b>Surplus/ (Deficit) at end of year</b>	<b>(1,462.55)</b>	<b>(1,270.71)</b>

### (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 ₹ 307.31 lakhs (March 31, 2021 ₹ 268.34 lakhs) as expense in Note 34 under the head 'Contributions to Provident and Other Funds'.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 42 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

### A Claims against the company not acknowledged as debts (Excluding interest and penalty)

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Disputed Income-Tax Liability*	1,193.84	1,131.44
Disputed Excise Duty Liability**	1,701.25	1,701.25
Disputed Service Tax Liability***	160.44	160.44
Disputed Sales Tax Liability	-	87.04
Disputed Liabilities towards labour and workers compensation	52.98	57.93
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments 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	1,097.65	418.48
<b>Capital Commitments</b>		
<b>B</b> Estimated amount of contracts pending execution on capital accounts and not provided for (net of advances)	18,838.76	2,083.54

## 42 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (Contd...)

The outflow of the above claims would be determinable only on completion of respective assessments.

\*Income tax demand comprise of demand from the Indian Income tax authorities for payment of additional tax of ₹ 1,193.84 (31 March 2021: 1,131.44), upon completion of their tax review for the assessment year 2003-04, 2009-10 to 2010-11 and 2013-14 to 2018-19. The tax demands are mainly on account of Transfer pricing Adjustments, 14 A disallowances, Bad Debt disallowances, Disallowance for loan written off etc. The matter is pending before various authorities.

\*\*Excise duty demand comprise demand from Central excise authorities for payment of additional tax of ₹ 1701.25 lakhs (31 March 2021: ₹ 1701.25 lakhs), upon completion of their tax review for the financial year 2003-04 to 2008-09 and 2011-12 to 2016-17. The tax demands are on account of denial of Cenvat credit on manufacturing, Short payment of duty on DTA clearance from EOU, Education cess on DTA Sales etc. The matter is pending before various authorities.

\*\*\*Service tax demand comprise demand from Service Tax Authorities on account of denial of Service tax credit H 160.44 lakhs (31 March 2021: H 160.44 lakhs), upon completion of their tax review for the financial year 2006-07 to 2017-18. The tax demands are on account of service tax on sales commission. The matter is pending before various authorities.

The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of the Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

## 43. SEGMENT REPORTING

### A - Analysis By Business Segment

Financial year ended on 31st March 2022:

₹ In Lakhs

Particulars	Pigments	Agro Chemicals	Unallocable	Total
<b>Revenue</b>				
External Sales	75,129.49	1,71,701.60	-	2,46,831.09
Other Operating Revenue	421.27	2,144.79	-	2,566.06
<b>Total Revenue</b>	<b>75,550.76</b>	<b>1,73,846.39</b>	<b>-</b>	<b>2,49,397.15</b>



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 43. SEGMENT REPORTING (Contd...)

₹ In Lakhs

Particulars	Pigments	Agro Chemicals	Unallocable	Total
<b>Results</b>				
Segment Results	6,533.39	34,994.27	-	41,527.66
Un-allocable (Expenses)/Income	-	-	38.23	38.23
<b>Profit from Operation</b>				<b>41,565.89</b>
Finance Cost	-	-	-	(933.29)
<b>Profit before Exceptional Items</b>				<b>40,632.60</b>
Exceptional Items	-	611.14	-	611.14
<b>Profit Before Tax</b>				<b>41,243.74</b>
Income tax Expenses	-	-	-	(8,694.95)
Deferred Tax	-	-	-	(1,751.57)
<b>Profit After Tax</b>				<b>30,797.22</b>

₹ In Lakhs

Other information	Pigments	Agro Chemicals	Unallocable	Total
Capital Addition	2,315.67	21,473.57	67.93	23,857.17
Depreciation	(1,884.50)	(3,765.27)	(349.14)	(5,998.91)
Non-Cash Items	(531.86)	(1,023.00)	(2,428.27)	(3,983.13)

### Financial year ended on 31st March 2021:

₹ In Lakhs

Balance sheet	Pigments	Agro Chemicals	Unallocable	Total
<b>Assets</b>				
Segment Assets	83,990.26	1,63,936.51	-	2,47,926.77
Un-allocable Assets	-	-	25,370.70	25,370.70
<b>Total assets</b>				<b>2,73,297.47</b>
<b>Liabilities</b>				
Segment Liabilities	35,439.95	85,031.39	-	1,20,471.34
Unallocable Liabilities	-	-	2,620.80	2,620.80
Deferred Tax Liabilities	-	-	-	6,199.11
<b>Total Liabilities</b>				<b>1,29,291.25</b>

₹ In Lakhs

Particulars	Pigments	Agro Chemicals	Unallocable	Total
<b>Revenue</b>				
External Sales	56,943.44	1,02,896.87	-	1,59,840.31
Other Operating Revenue	894.76	1,609.21	-	2,503.97
<b>Total Revenue</b>	<b>57,838.20</b>	<b>1,04,506.08</b>	<b>-</b>	<b>1,62,344.28</b>
<b>Results</b>				
Segment Results	8,554.48	21,538.13	-	30,092.61
Un-allocable (Expenses)/Income	-	-	(4,693.40)	(4,693.40)
<b>Profit from Operation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,399.21</b>
Finance Cost	-	-	-	(1,116.18)
<b>Profit before exceptional items</b>				<b>24,283.03</b>
Exceptional Items	-	650.00	-	650.00
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,933.03</b>
Income tax Expenses	-	-	-	(6,625.00)
Deferred Tax	-	-	-	193.40
<b>Profit After Tax</b>				<b>18,501.43</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 43. SEGMENT REPORTING (Contd...)

₹ In Lakhs

Other information	Pigments	Agro Chemicals	Unallocable	Total
Capital Addition	2,521.59	19,087.44	11.69	21,620.72
Depreciation	(2,303.71)	(2,404.27)	(356.54)	(5,064.52)
Non-Cash Items	552.93	1,587.36	1,138.83	3,279.12

₹ In Lakhs

Balance sheet	Pigments	Agro Chemicals	Unallocable	Total
<b>Assets</b>				
Segment Assets	60,879.21	1,11,846.58	-	1,72,725.79
Un-allocable Assets	-	-	23,986.61	23,986.61
<b>Total assets</b>				<b>1,96,712.40</b>

₹ In Lakhs

Balance sheet	Pigments	Agro Chemicals	Unallocable	Total
<b>Liabilities</b>				
Segment Liabilities	22,289.70	50,433.58	-	72,723.28
Unallocable Liabilities	-	-	2,829.76	2,829.76
Deferred Tax Liabilities	-	-	-	4,433.05
<b>Total Liabilities</b>				<b>79,986.09</b>

## B - Analysis By Geographical Segment

### Segment Revenue:

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

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Revenue:</b>		
Within India	35,602.84	34,170.26
Outside India	2,13,794.31	1,28,174.02
<b>Total</b>	<b>2,49,397.15</b>	<b>1,62,344.28</b>

The following is an analysis of the carrying amount of non-current assets, which do not include deferred tax assets, income tax assets and financial assets analysed by the geographical area in which the assets are located:

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Carrying amount of segment assets		
Within India	93,867.11	75,354.00
Outside India	-	-

The Company has one customer based outside India who have accounted for more than 10% of the Company's revenue. Total amount of revenue from this customer is ₹ 34,810.62 Lakhs for the year ended March 31, 2022 and one customer with revenue of ₹ 21,316.25 Lakhs for the year ended March 31, 2021.

### Notes

- (1) Based on "management approach" defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 43. SEGMENT REPORTING (Contd...)

- (2) The Company's operations are divided into two segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :
- a) Agro Chemicals - The Company's operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals.
  - b) Pigment Business - The Company's operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.
- (3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

## 44 RELATED PARTIES DISCLOSURES :-

Subsidiaries of the Company :	Meghmani Organics USA, Inc.(MOL-USA) PT Meghmani Organics Indonesia(MOL-INDONESIA) Meghmani Overseas FZE-Dubai Meghmani Synthesis Limited (Incorporated i.e. 27.01.2021) Kilburn Chemicals Limited (i.e. 16.12.2021)
Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	Meghmani Pigments Ashish Chemicals Tapsheel Enterprise Meghmani Finechem Limited Meghmani Dyes & Intermediates LLP Meghmani Industries Limited Meghmani Chemicals Limited Arjan Owners LLP (Formerly Panchratna Corporation) Meghmani LLP (Formerly Meghmani Unichem LLP) Matangi Industries LLP Delta Electricals Navratan Specialty Chemicals LLP Meghmani Exports Limitada S.A.De CV
Key Managerial Personnel :	Mr. Jayanti Patel (Executive Chairman) Mr. Ashish Soparkar (Managing Director) Mr. Natwarlal Patel (Managing Director) Mr. Ramesh Patel (Executive Director) Mr. Anand Patel (Executive Director) Mr. Ankit Patel (CEO) Mr. Darshan Patel (COO) Mr. Karana Patel (COO) Mr. G.S. Chahal (Chief Financial Officer) Mr. Kamlesh Mehta (Company Secretary) (up to 20.05.2021) Mr. Jayesh R Patel (Company Secretary) (w.e.f 21.05.2021)
Independent Directors :	Mr. Bhaskar Rao Mr. C S Liew Ms. Urvashi Shah Mr. Manubhai Patel Dr. (Prof) Ganapati Yadav
Relatives of Key Managerial Personnel :	Ms. Deval Soparkar Mr. Maulik Patel Mr. Kaushal Soparkar Ms. Taraben Patel

## for the year ended 31st March 2022

#### 44 RELATED PARTIES DISCLOSURES :- (Contd....)

## Transactions with Related Parties in Ordinary Course of Business

Particulars		Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
		For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Purchase of Goods	-		-	19,657.46	9,497.49	-	-	-	-	19,657.46	9,497.49
Sale of Goods	4,856.66		2,570.22	1,176.74	657.70	-	-	-	-	6,033.40	3,227.92
Sale of Services	-		-	-	46.31	-	-	-	-	-	46.31
Availing of Services	-		-	185.64	218.74			-	-	185.64	218.74
Sitting Fees						24.18	13.82			24.18	13.82
Remuneration	-		-	-	-	2,678.04	1,950.04	18.42	12.46	2,696.46	1,962.50
Investment in Equity Shares	1,215.00		5.00							1,215.00	5.00
Investment in Perpetual Securities	12,326.00		-							12,326.00	-
Sale of MEIS Licences	-		-	232.41	352.49	-	-	-	-	232.41	352.49
Reimbursement of Expenses	-		-	88.06	60.45	-	-	-	-	88.06	60.45
Legal & Professional Fees	-		-	-	-	19.99	14.73	-	-	19.99	14.73
Dividend Paid	-		-	-	-	1,322.92	-	146.18	-	1,469.10	-
Dividend on RPS	-		-	1,539.43	-	-	-	-	-	1,539.43	-

## Outstanding Balances with Related Parties

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021		
Receivables	1,496.77	242.19	327.17	468.41	-	-	-	-	1,823.94	710.60
Payables	-	-	4,468.91	2,527.54	-	-	-	-	4,468.91	2,527.54
Remuneration Payable	-	-	-	-	2,126.16	1,518.64	1.35	0.71	2,127.51	1,519.35
Dividend Receivable on RPS	-	-	1,385.48	-	-	-	-	-	1,385.48	-

₹ In Lakhs



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 44 RELATED PARTIES DISCLOSURES :- (Contd....)

### Terms and Conditions of transactions with related parties

- (1) The Company's transactions with related parties are at arm's length. Management believes that the company's Domestic and International transactions with related parties post March 31, 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. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- (2) For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- (3) The future liability for Gratuity and Compensated Absence is provided on aggregated basis for all the employees of the Company taken as a whole, the amount pertaining to KMPs is not ascertainable separately and therefore not included above.

### Commitments with Related Parties

The Company has not provided any commitment to the related party as at March 31, 2022 (March 31, 2021: ₹Nil).

### DISCLOSURE IN RESPECT OF TRANSACTION WITH RELATED PARTY DURING THE YEAR:

₹ In Lakhs

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2022	For the year ended 31st March 2021
Meghmani Organics USA Inc.	Subsidiary	Sale of Goods	4,856.66	2,570.22
		<b>Total</b>	<b>4,856.66</b>	<b>2,570.22</b>
Kilburn Chemicals Limited	Subsidiary	Investment in Perpetual Security in Subsidiary	12,326.00	-
		<b>Total</b>	<b>12,326.00</b>	-
Kilburn Chemicals Limited	Subsidiary	Investment in subsidiary	1,215.00	-
Meghmani Synthesis Limited	Subsidiary	Investment in subsidiary	-	5.00
		<b>Total</b>	<b>1,215.00</b>	<b>5.00</b>
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Dividend on RPS	1,539.43	-
		<b>Total</b>	<b>1,539.43</b>	-
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	0.44
Meghmani Industries Limited -SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	11.74	23.31
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	266.01	169.15
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	1.10	23.27
Meghmani Unichem LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	9.23
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	3.35	-
Meghmani LLP-SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	28.34	-
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	4.43	13.04
Meghmani Exports Limitada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Sale of Goods	861.77	419.26
		<b>Total</b>	<b>1,176.74</b>	<b>657.70</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 44 RELATED PARTIES DISCLOSURES :- (Contd....)

₹ In Lakhs

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2022	For the year ended 31st March 2021
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	11.11
Meghmani Dyes & Intermediates Llp	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	4.70
Meghmani Industries Ltd.	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	16.68
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	13.82
		<b>Total</b>	<b>-</b>	<b>46.31</b>
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Sale of MEIS Licenses	232.41	352.49
		<b>Total</b>	<b>232.41</b>	<b>352.49</b>
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	16,723.19	6,261.17
Meghmani Pigment*	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,256.39	1,810.89
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	9.21	5.55
Matangi Industries LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	3.88	-
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	3.10
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.76	-
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Assets	10.93	-
Delta Electricals	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1.18	0.30
Meghmani LLP*	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,651.92	1,416.48
		<b>Total</b>	<b>19,657.46</b>	<b>9,497.49</b>
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Availing of Services	-	3.93
Meghmani Exports Limiada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Availing of Services	-	20.02
Arjan Owners LLP (Formerly Panchratna Corporation)	Enterprises in which Directors & KMP have significant influence	Availing of Services	185.64	194.79
		<b>Total</b>	<b>185.64</b>	<b>218.74</b>
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	39.85	28.27
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	11.12	7.96
Meghmani LLP SEZ	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	22.15	15.00
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	11.57	6.56
Ashish Chemicals	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	3.37	2.66
		<b>Total</b>	<b>88.06</b>	<b>60.45</b>
Bhaskar Rao	Independent Directors	Legal & Professional Fees	7.78	5.66
Liew Ching Seng	Independent Directors	Legal & Professional Fees	12.21	9.07
		<b>Total</b>	<b>19.99</b>	<b>14.73</b>

# Notes to the Standalone Financial Statements

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## 44 RELATED PARTIES DISCLOSURES :- (Contd....)

₹ In Lakhs

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2022	For the year ended 31st March 2021
Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	627.51	451.67
Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	626.58	451.35
Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	627.41	451.69
Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	417.42	300.77
Anand Patel	Key Managerial Personnel	Managerial Remuneration	311.82	226.27
G.S Chahal	Key Managerial Personnel	Salary	47.52	43.14
Kamlesh Mehta	Key Managerial Personnel	Salary	3.35	25.15
Jayesh R Patel	Key Managerial Personnel	Salary	16.43	-
		<b>Total</b>	<b>2,678.04</b>	<b>1,950.04</b>
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	18.42	12.46
		<b>Total</b>	<b>18.42</b>	<b>12.46</b>
Ganapati Dadasaheb Yadav	Independent Directors	Sitting Fees	5.48	3.05
Ms. Urvashi Shah	Independent Directors	Sitting Fees	6.60	4.15
Manubhai K Patel	Independent Directors	Sitting Fees	6.60	4.15
Bhaskar Rao	Independent Directors	Sitting Fees	2.75	1.50
Liew Ching Seng	Independent Directors	Sitting Fees	2.75	0.97
		<b>Total</b>	<b>24.18</b>	<b>13.82</b>
Jayanti Patel	Key Managerial Personnel	Dividend	252.34	-
Ashish Soparkar	Key Managerial Personnel	Dividend	357.57	-
Natwarlal Patel	Key Managerial Personnel	Dividend	290.36	-
Ramesh Patel	Key Managerial Personnel	Dividend	222.40	-
Anand Patel	Key Managerial Personnel	Dividend	110.50	-
Karana Patel	Key Managerial Personnel	Dividend	27.59	-
Ankit Patel	Key Managerial Personnel	Dividend	46.11	-
Darshan Patel	Key Managerial Personnel	Dividend	16.05	-
		<b>Total</b>	<b>1,322.92</b>	<b>-</b>
Deval Soparkar	Relatives of Key Managerial Personnel	Dividend	5.75	-
Maulik Patel	Relatives of Key Managerial Personnel	Dividend	17.78	-
Kaushal Soparkar	Relatives of Key Managerial Personnel	Dividend	19.61	-
Taraben Patel	Relatives of Key Managerial Personnel	Dividend	103.04	-
		<b>Total</b>	<b>146.18</b>	<b>-</b>
<b>Total</b>			<b>45,487.13</b>	<b>15,399.45</b>

\*The purchases made from said parties are knocked off against the revenue from such products as per the requirements of IND AS 115

## Outstanding Balance

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
<b>Payable</b>		
Arjan Owners LLP	14.16	-
Ashish Chemicals	-	2.75
Delta Electricals	-	0.30
Meghmani Finechem Ltd.	3,858.06	1,640.78
Meghmani LLP	389.23	488.76

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 44 RELATED PARTIES DISCLOSURES :- (Contd....)

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Meghmani Synthesis Limited	-	5.00
Meghmani Pigments	207.46	389.95
<b>Total</b>	<b>4,468.91</b>	<b>2,527.54</b>
<b>Receivables</b>		
Meghmani Chemicals Limited	-	21.78
Meghmani Dyes & Intermediate LLP	27.59	62.49
Meghmani Finechem Ltd.	-	39.49
Meghmani Industries Ltd.	-	23.31
Meghmani LLP	-	2.95
Meghmani LLP-SEZ	7.43	-
Meghmani Organics USA Inc	1,496.77	242.19
Meghmani Pigments	-	23.27
Navratan Speciality Chemical LLP	3.04	7.81
Meghmani Exports Limitada S.A.De CV	289.11	286.87
<b>Total</b>	<b>1,823.94</b>	<b>710.60</b>
<b>Dividend Receivable on RPS</b>		
Meghmani Finechem Ltd.	1,385.48	-
<b>Total</b>	<b>1,385.48</b>	<b>-</b>
<b>Remuneration Payable</b>		
Jayanti Patel	529.25	377.75
Ashish Soparkar	529.25	377.75
Natwarlal Patel	529.25	377.75
Ramesh Patel	319.25	227.76
Anand Patel	214.25	152.76
G.S Chahal	3.34	3.14
K D Mehta	-	1.73
Jayesh R Patel	1.57	-
Deval Soparkar	1.35	0.71
<b>Total</b>	<b>2,127.51</b>	<b>1,519.35</b>

## 45 - Financial instruments – Fair Value Hierarchy

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 March 31, 2022 is as follows:

₹ In Lakhs

31st March 2022	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial Assets</b>				
Non-Current Investments (Refer Note 5)	21,091.99	57.18	0.03	21,149.20
Non-Current Other Financial Assets (Refer Note 6)	-	-	1,218.01	1,218.01
Trade Receivables (Refer Note 11)	-	-	54,314.90	54,314.90
Cash and Cash Equivalents (Refer Note 12)	-	-	906.33	906.33
Bank Balances (Other than above) (Refer Note 13)	-	-	77.12	77.12
Loans (Refer Note 14)	-	-	47.90	47.90
Other Current Financial Asset (Refer Note 15)	-	-	13,971.42	13,971.42
<b>Total Financial Assets</b>	<b>21,091.99</b>	<b>57.18</b>	<b>70,535.71</b>	<b>91,684.88</b>



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 45 - Financial instruments – Fair Value Hierarchy (Contd....)

₹ In Lakhs

31st March 2022	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial Liabilities</b>				
Non-Current Borrowings (Refer Note 19)	-	-	20,878.62	20,878.62
Non Current Lease liabilities (Refer Note 20)	-	-	344.31	344.31
Non Current Financial Liabilities (Refer Note 21)	88.53	-	26.91	115.44
Current Borrowings (Refer Note 24)	-	-	28,547.53	28,547.53
Current Lease liabilities (Refer Note 20)	-	-	142.94	142.94
Trade Payables (Refer Note 25)	-	-	57,245.25	57,245.25
Other Current Financial Liabilities (Refer Note 26)	15.62	-	7,732.47	7,748.09
<b>Total Financial Liabilities</b>	<b>104.15</b>	<b>-</b>	<b>1,14,918.03</b>	<b>1,15,022.18</b>

**Note:** Investment in Subsidiaries are accounted at cost.

The carrying value of financial instruments by categories as of March 31, 2021 is as follows

₹ In Lakhs

31st March 2021	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial Assets</b>				
Non-Current Investments (Refer Note 5)	20,145.95	57.18	0.03	20,203.16
Non-Current Other Financial Assets (Refer Note 6)	-	-	1,061.72	1,061.72
Current investments (Refer Note 10)	10,243.86	-	-	10,243.86
Trade Receivables (Refer Note 11)	-	-	40,587.23	40,587.23
Cash and Cash Equivalents (Refer Note 12)	-	-	2,033.87	2,033.87
Bank Balances (Other than above) (Refer Note 13)	-	-	77.16	77.16
Loans (Refer Note 14)	-	-	39.86	39.86
Other Current Financial Asset (Refer Note 15)	-	-	3,593.71	3,593.71
<b>Total Financial Assets</b>	<b>30,389.81</b>	<b>57.18</b>	<b>47,393.58</b>	<b>77,840.57</b>
<b>Financial Liabilities</b>				
Non-Current Borrowings (Refer Note 19)	-	-	12,323.08	12,323.08
Non Current Lease liabilities (Refer Note 20)	-	-	487.25	487.25
Non Current Financial Liabilities (Refer Note 21)	-	-	179.89	179.89
Current Borrowings (Refer Note 24)	-	-	13,870.21	13,870.21
Current Lease liabilities (Refer Note 20)	-	-	110.74	110.74
Trade Payables (Refer Note 25)	-	-	33,904.31	33,904.31
Other Current Financial Liabilities (Refer Note 26)	-	-	9,140.69	9,140.69
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>70,016.17</b>	<b>70,016.17</b>

**Note:** Investment in Subsidiaries are accounted at cost.

## 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:

- Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 45 - Financial instruments – Fair Value Hierarchy (Contd...)

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

### Financial instrument measured at fair value

₹ In Lakhs

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy
	31st March 2022	31st March 2021	
Investment at FVTOCI (unquoted) (Refer Note 5)	57.18	57.18	Level 3
Investment at FVTPL (unquoted) (Refer Note 5)	21,091.99	20,145.95	Level 3
Investment at FVTPL (Quoted) (Refer Note 10)	-	10,243.86	Level 1
Mark to Market Derivative Liabilities on Interest rate swap and Cross Currency Swap Valued at FVTPL (Refer Note 21 and 26)	104.15	-	Level 2

### 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 representing investment in short term liquid mutual funds.

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Opening balance	10,243.86	-
Net change in fair value (unrealised)	(72.64)	72.64
Purchases	12,899.36	26,848.68
Sales	(23,070.58)	(16,677.46)
Closing balance	(0.00)	10,243.86

### Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 2 of the fair value hierarchy is based on the Fair value as ascertained and provided by the bank.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTPL assets in unquoted RPS of Meghmani Finechem Limited	DCF Method	Weighted average cost of debt	31 March 2022: 8.00% 31 March 2021: 8.50%	1% (31 March 2021: 1%) increase (decrease) in the weighted average cost of debt would result in decrease (increase) in fair value by INR 1,847 lakhs (31 March 2021: INR 1,726 lakhs).

### Reconciliation of fair value measurement of unquoted RPS classified as FVTPL assets:

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Opening balance	20,145.95	19,021.95
Re-measurement recognised in profit and loss	946.04	1,124.00
Purchases	-	-
Sales	-	-
<b>Closing balance</b>	<b>21,091.99</b>	<b>20,145.95</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 45 - Financial instruments – Fair Value Hierarchy (Contd...)

### Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI assets:

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Opening balance	57.18	57.18
Re-measurement recognised in profit and loss	-	-
Purchases	-	-
Sales	-	-
<b>Closing balance</b>	<b>57.18</b>	<b>57.18</b>

### 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 counter parties 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 45 - Financial instruments – Fair Value Hierarchy (Contd...)

### i. Credit Risk (Contd...)

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 are as follows:

Particulars	₹ In Lakhs	
	31st March 2022	31st March 2021
Domestic	13,035.44	14,417.56
Other Regions	41,279.46	26,169.67
<b>Total</b>	<b>54,314.90</b>	<b>40,587.23</b>

### Age of Receivables

Particulars	₹ In Lakhs	
	31st March 2022	31st March 2021
Neither due nor impaired	43,895.65	29,513.29
Past due 1–90 days	8,725.25	9,586.60
Past due 91–180 days	960.63	1,350.89
More than 180 days	733.37	136.45
<b>Total</b>	<b>54,314.90</b>	<b>40,587.23</b>

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

Management estimates that the amount of provision of ₹942.33 lakhs (31st March, 2021: ₹ 1,562.01 lakhs) is appropriate

### 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, FVTPL 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.



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 45 - Financial instruments – Fair Value Hierarchy (Contd...)

### ii. Market Risk (Contd... )

#### Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

₹ In Lakhs

Particulars	31st March 2022	USD Denominated exposure	Euro Denominated exposure	INR
	Total			
<b>Financial Assets</b>				
Trade Receivables	54,314.90	36,486.61	4,780.21	13,048.08
<b>Total</b>	<b>54,314.90</b>	<b>36,486.61</b>	<b>4,780.21</b>	<b>13,048.08</b>
<b>Financial Liabilities</b>				
Long Term Borrowings	20,878.62	12,696.95	8,181.67	-
Non Current Lease liabilities	344.31	-	-	344.31
Other Non-Current Financial Liabilities	115.44	-	-	115.44
Short Term Borrowings	28,547.53	13,887.80	8,341.93	6,317.80
Current Lease liabilities	142.94			142.94
Trade Payables	57,245.25	13,936.35	98.02	43,210.88
Other Current Financial Liabilities	7,748.09	8.16	17.13	7,722.80
<b>Total</b>	<b>1,15,022.18</b>	<b>40,529.26</b>	<b>16,638.75</b>	<b>57,854.17</b>

₹ In Lakhs

Particulars	31st March 2021	USD Denominated exposure	Euro Denominated exposure	INR
	INR			
<b>Financial Assets</b>				
Trade Receivables	40,587.23	22,872.27	3,297.40	14,417.56
<b>Total</b>	<b>40,587.23</b>	<b>22,872.27</b>	<b>3,297.40</b>	<b>14,417.56</b>
<b>Financial Liabilities</b>				
Long Term Borrowings	12,323.08	-	12,323.08	-
Non Current Lease liabilities	487.25			487.25
Other Non-Current Financial Liabilities	179.89	-	-	179.89
Short Term Borrowings	13,870.21	1,370.81	11,986.16	513.24
Current Lease liabilities	110.74			110.74
Trade Payables	33,904.31	6,248.31	17.35	27,638.65
Other Current Financial Liabilities	9,140.69	-	26.33	9,114.36
<b>Total</b>	<b>70,016.17</b>	<b>7,619.12</b>	<b>24,352.92</b>	<b>38,044.13</b>

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro 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

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31st March 2022</b>				
<b>5% movement</b>				
USD	(202.13)	202.13	(151.26)	151.26
EUR	(592.93)	592.93	(443.70)	443.70

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 45 - Financial instruments – Fair Value Hierarchy (Contd...)

### ii. Market Risk (Contd...)

₹ In Lakhs

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31st March 2021</b>				
<b>5% movement</b>				
USD	762.66	(762.66)	570.71	(570.71)
EUR	(1,052.78)	1,052.78	(787.81)	787.81

### 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 and Short term Debt Obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

### Exposure to Interest Rate Risk

Company's Interest Rate Risk arises from Borrowings Obligations. Borrowings issued exposes 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	31st March 2022	31st March 2021
Non Current - Borrowings	20,878.62	12,323.08
Current - Borrowings	28,547.53	13,870.21
<b>Total</b>	<b>49,426.15</b>	<b>26,193.29</b>

### 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
<b>31st March 2022</b>				
Non Current - Borrowings	(208.79)	208.79	(156.24)	156.24
Current - Borrowings	(285.48)	285.48	(213.63)	213.63
<b>Total</b>	<b>(494.26)</b>	<b>494.26</b>	<b>(369.87)</b>	<b>369.87</b>
<b>31st March 2021</b>				
Non Current - Borrowings	(123.23)	123.23	(92.22)	92.22
Current - Borrowings	(138.70)	138.70	(103.79)	103.79
<b>Total</b>	<b>(261.93)</b>	<b>261.93</b>	<b>(196.01)</b>	<b>196.01</b>

### 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 45 - Financial instruments – Fair Value Hierarchy (Contd...)

### iii. Liquidity Risk (Contd...)

₹ In Lakhs

31st March 2022	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Derivative Contracts (Refer Note 21 and 26)						
AXIS Bank Limited	104.15	104.15	15.62	20.83	62.49	5.21
<b>Non-Derivative Financial Liabilities (Refer Note 19)</b>						
<b>Rupee Term Loans from Banks</b>						
AXIS Bank Limited	14,933.97	14,933.97	2,237.01	2,987.52	8,962.55	746.89
<b>Total</b>	<b>14,933.97</b>	<b>14,933.97</b>	<b>2,237.01</b>	<b>2,987.52</b>	<b>8,962.55</b>	<b>746.89</b>
<b>Foreign Currency Term Loans from banks</b>						
SBI Bank Limited	8,032.53	8,032.53	2,294.59	2,298.73	3,439.21	-
AXIS Bank Limited	4,069.52	4,069.52	1,625.80	1,629.15	814.57	-
<b>Total</b>	<b>12,102.05</b>	<b>12,102.05</b>	<b>3,920.39</b>	<b>3,927.88</b>	<b>4,253.78</b>	<b>-</b>
Working Capital loans from banks (Refer Note 24)	22,390.13	22,390.13	22,390.13	-	-	-
Trade Payables (Refer Note 25)	57,245.25	57,245.25	57,245.25	-	-	-

₹ In Lakhs

31st March 2021	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
<b>Non-Derivative Financial Liabilities (Refer Note 19)</b>						
<b>Foreign Currency Term Loans from banks</b>						
SBI Bank Limited	10,515.75	10,515.75	2,336.51	2,349.55	5,829.69	-
AXIS Bank Limited	5,799.35	5,799.35	1,655.52	1,665.64	2,478.19	-
<b>Total</b>	<b>16,315.10</b>	<b>16,315.10</b>	<b>3,992.03</b>	<b>4,015.19</b>	<b>8,307.88</b>	<b>-</b>
Working Capital loans from banks (Refer Note 24)	9,878.19	9,878.19	9,878.19	-	-	-
Trade Payables (Refer Note 25)	33,904.31	33,904.31	33,904.31	-	-	-

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

## 46 - Leases

The Company has lease contracts for HO premise. Leases of HO 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 which are further discussed below.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 46 : Leases (Contd...)

The Company also has Depots 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

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Opening Balance	597.99	699.74
Additions during the year/Period	-	-
Finance costs incurred during the year	46.58	55.57
Payments of Lease Liabilities	157.32	157.32
<b>Closing Balance</b>	<b>487.25</b>	<b>597.99</b>

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

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Opening Balance	4,154.20	4,327.71
Additions during the year	610.34	-
Depreciation charged during the year	(178.55)	(173.51)
<b>Closing Balance</b>	<b>4,585.99</b>	<b>4,154.20</b>

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

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation expense of right-of-use assets	178.55	173.51
Interest expense on lease liabilities	46.58	55.57
Expense relating to short-term leases (included in other expenses)	117.05	66.17
<b>Total Expenses</b>	<b>342.18</b>	<b>295.25</b>

##### (iv) Amounts recognised in statement of cash flows

₹ In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Total Cash outflow for Leases	157.32	157.32

##### (v) Maturity analysis of lease liabilities

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
<b>Maturity Analysis of contractual undiscounted cash flows</b>		
Less than one year	178.95	157.32
One to five years	376.91	555.86
More than five years	-	-
<b>Total undiscounted Lease Liability</b>	<b>555.86</b>	<b>713.18</b>

### Balances of Lease Liabilities

₹ In Lakhs

Particulars	31st March 2022	31st March 2021
Non Current Lease Liability	344.31	487.25
Current Lease Liability	142.94	110.74
<b>Total Lease Liability</b>	<b>487.25</b>	<b>597.99</b>



# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 47 Ratios

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance above 25% year on year
Current Ratio	Current Assets	Current Liabilities	1.41	1.61	-12.45%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payments	Shareholder's Equity	0.35	0.23	51.01%	There is increase in Debt equity ratio on account of increase in long term debt taken for funding new capacity expansion projects and increase in short term borrowings for working capital requirements.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	2.92	4.72	-38.06%	There is a decrease in Debt service coverage ratio on account of increase in Working capital demand loans and increase in principal repayments on account of new loans obtained during the year
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.24	0.17	37.22%	There is a improvement in return on equity ratio on account of increase in Net profit for the year
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	4.98	4.85	2.72%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	5.26	3.73	40.74%	There is a Improvement in Trade receivable turnover ratio on account of better realisation and higher turnover.
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	3.92	3.59	9.16%	No major variance
Net Capital Turnover Ratio	Revenue from Operation	Working capital = Current assets – Current liabilities	6.06	4.34	39.71%	There is increase in Net capital turnover ratio on account of higher turnover and better working capital management.
Net Profit Ratio	Net Profit	Revenue from Operation	0.12	0.11	8.36%	No major variance
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	0.20	0.16	24.74%	No major variance
Return on Investment	Interest (Finance Income)	Average of Investment in Subsidiary & Bank Deposit	5.8%	1.4%	327.22%	There is improvement in the return on investment on account of dividend on RPS. Pursuant to the Scheme of arrangement investment in OCRPS was converted in Investment in RPS where on account of change in terms dividend payment was made cumulative and accordingly accrued for the year. Refer note 51 for details.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

## 48 - Capital Management

Capital includes equity attributable to the equity 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 March 31, 2022 and March 31, 2021.

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 and obligations under Finance Leases, less Cash and Cash Equivalents. Adjusted Equity Comprises all components of Equity.

Particulars	₹ In Lakhs	
	31st March 2022	31st March 2021
Total Interest bearing liabilities	49,426.15	26,193.29
Less : Cash and cash equivalent	906.33	2,033.87
<b>Adjusted net debt</b>	<b>48,519.82</b>	<b>24,159.42</b>
<b>Total equity</b>	<b>1,44,006.22</b>	<b>1,16,726.31</b>
Adjusted net debt to total equity ratio	0.34	0.21

**49** The Company 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 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 statements 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 changes to future economic conditions.

## 50 - Acquisition of Kilburn Chemicals Limited

Kilburn Chemicals Limited (KCL) was admitted under Corporate Insolvency Resolution Process in terms of Insolvency and Bankruptcy Code, 2016 of India, whereby the Company was one of the bidders for its acquisition. The National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated December 16, 2021 approved the resolution plan of the Company for acquiring 100% stake in KCL for total consideration of ₹ 13,176.00 Lakhs. Pursuant to the approved resolution plan, the existing issued, subscribed and paid up share capital of KCL stands cancelled fully and KCL has become a wholly owned subsidiary of the Company.

KCL's main business was manufacturing of titanium dioxide ('TiO<sub>2</sub>') and currently has production capacity of 16,500 MTPA located at Dahej, Gujarat, which is currently non-operational.

The consideration paid for acquisition of KCL by the Company under the approved resolution plan includes cash of ₹ 1,215 lakhs through infusion of equity and ₹ 11,961 lakhs through subscribing unsecured, non-convertible and non-cumulative perpetual securities at coupon rate of 8%, payable at option of issuer as per the terms of agreement dated December 23, 2021. The Company further invested ₹ 365.00 Lakhs from January 1, 2022 to March 31, 2022 in perpetual securities.

## 51 - Composite Scheme of arrangement

Ahmedabad Bench of the NCLT, through its order dated 3 May 2021 (the "Order"), approved the Scheme of Arrangement ("the Scheme") to demerge the Agrochemicals and Pigments Division of Meghmani Organics Limited (MOL) along with its investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") of Meghmani Finechem Limited (MFL) into the Company. The Company had filed certified true copy of the Order with the Ministry of Corporate Affairs (the "MCA") on 8th May 2021. The Company had given effect to the Scheme for the year ended March 31, 2021 considering it to be an adjusting event and had 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 were met.

# Notes to the Standalone Financial Statements

for the year ended 31st March 2022

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## 51 -Composite Scheme of arrangement (Contd...)

### Listing on exchanges:

Pursuant to the Scheme, the Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The company received final approval from SEBI on July 30, 2021 pursuant to which it was listed with NSE and BSE on August 18, 2021.

### Change in name of the company:

Pursuant to the Scheme and on receipt of certificate of incorporation for change of name from the registrar of companies, Ahmedabad, Gujarat, the name of the Company has been changed from "Meghmani Organochem Limited" to "Meghmani Organics Limited" with effect from August 3, 2021.

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

As per the Scheme, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by Meghmani Finechem Limited (MFL) was transferred to the Company. The investment in OCRPS of MFL was transferred from MOL at cost of ₹ 10,986.54. Subsequent to transfer of OCRPS, the Company had fair valued investment in OCRPS as per the requirements of Ind AS 109 and had opted for recognising the fair value difference through Statement of Profit and Loss. Fair value gain of ₹ 1,124.00 lakhs was accounted in other income for the year ending March 31, 2021. Further, as per the Scheme, OCRPS issued by MFL were converted into Redeemable Preference Share (RPS) with same terms and conditions and tenure. The Company has fair valued the conversion of OCRPS to RPS as per the requirements of Ind AS 109 and the fair value gain of ₹ 946.04 lakhs has been accounted in other income for the quarter ended June 30, 2021 and accordingly for year ended March 31, 2022.

### Stamp duty on immovable property

As per the Article 20(d) of Schedule I to the Gujarat Stamp Act, 1958, the Company had provided for ₹ 2,500 lakhs as stamp duty on the immovable property that will be transferred from erstwhile MOL to the Company and shares to be issued to the shareholders of the company pursuant to the Scheme. Further, pursuant to the final order of stamp duty payable, excess provision of stamp duty amounting to ₹ 1,486.55 lakhs has been reversed and accounted as other income during the current year.

## 52 - 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 2nd May 2022 there were no material subsequent events to be recognized or reported that are not already disclosed.

**53** - Previous period figures have been regrouped / restated to give effect of scheme of arrangement wherever necessary to make them comparable with those of the current year.

### AS PER OUR REPORT OF EVEN DATE

#### FOR S R B C & CO LLP

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**  
Partner  
Membership No : 101974

Place : Ahmedabad  
Date : 2nd May 2022

### For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022



# Consolidated Financial Statements



# Independent Auditor's Report

To  
The Members of **Meghmani Organics Limited**  
(formerly known as Meghmani Organochem Limited)

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Meghmani Organics Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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, 2022, 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, 2022. 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 and by other auditors of subsidiaries not audited by us, as reported by them in their audit reports furnished to us by the management, 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

#### Revenue recognition (as described in Note 2 of the consolidated financial statements)

The Group majorly operates in two segments viz: Agro Chemicals and Pigment. 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.

### How our audit addressed the key audit matter

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 sales including variable consideration.

## Key audit matters

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.

## How our audit addressed the key audit matter

- Performed on test check basis, 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 on test check basis, 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 - Purchase Price Allocation for acquisition of Kilburn Chemicals Limited ("KCL")

(Refer to Note 50 to the consolidated financial statements)

On December 16, 2021 (the "acquisition date"), the Group completed acquisition of business of Kilburn Chemicals Limited ("KCL"), pursuant to the resolution plan approved under the Insolvency and Bankruptcy Code, 2016.

The Group determined the acquisition to be business combination in accordance with Ind AS 103. Ind AS 103 requires the identified assets and liabilities be recognised at fair value at the date of acquisition with the excess of identified fair value of recognised assets and liabilities over the acquisition cost as capital reserve.

The Group engaged with the auditors of KCL ("other auditor") to perform an audit of the financial information of KCL as at the acquisition date who have provided an unmodified opinion vide their audit report dated February 02, 2022. The Management determined that the fair values of the net identifiable assets acquired was 15,588.87 lakhs. The valuation was performed as part of the Purchase Price Allocation (PPA). The Group appointed independent professional valuers to perform valuation of assets for the purpose of PPA.

The purchase price allocation exercise was completed resulting in the Group recognising capital reserve of 2,382.87 lakhs directly in "Other Equity".

Significant assumptions and estimates were used in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction and thus we consider this area to be a Key Audit Matter.

- We assessed and tested the design and operating effectiveness of the Holding Company's key controls over the accounting of business combination.
- We have evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence.
- We have traced the value of the consideration transferred with reference to the resolution plan.
- We have obtained the financial information of KCL as at the acquisition date as audited by the other auditor. We engaged with the other auditor to ensure completeness, accuracy and valuation of the PPA adjustments including engagement of an independent valuation expert by the Group and to agree the accounting done as per the resolution plan.
- We have further involved our valuation expert ("auditor's expert") to review the PPA reports including the work done by management experts to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date.
- We have evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the auditor's expert.
- We have assessed the Group's determination of the fair value of the assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations.
- We have verified the management's computation of capital reserve. Based on the above work performed, we noted that the PPA adjustments have been performed in accordance with Ind AS 103.
- We have also assessed and corroborated the adequacy and appropriateness of the disclosures made in the consolidated financial statements and found it reasonable.

## Information Other than the Consolidated Financial 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 Annual 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities 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, 2022 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.

## Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹ 20,785.51 lakhs as at March 31, 2022, and total revenues of ₹ NIL and net cash inflows of ₹ 52.32 lakhs for the year ended on that date. This financial statements and other financial information has been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.
- (b) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of

₹ 2,590.09 lakhs as at March 31, 2022, and total revenues of ₹ 5,305.31 lakhs and net cash inflows of ₹ 32.03 lakhs for the year ended on that date. This financial statements and other financial information have been reviewed by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the respective country and which has been reviewed by other auditor under generally accepted auditing standards applicable in the respective country. The Holding Company's management has converted the financial statements of subsidiary located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of three subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 5.85 lakhs as at March 31, 2022, and total revenues of ₹ Nil and net cash inflows of ₹ 3.98 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit of separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report 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 and reports of the other auditors;
  - (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, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 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 consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion and based on the consideration of reports of other statutory auditor of the subsidiary companies, incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiary companies, 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 based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary companies, 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 40 to the consolidated financial statements;
    - ii. The Group has made provision as required under the applicable law or accounting standards for material foreseeable losses, if any on long term derivative contracts for the year ended March 31, 2022;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2022.
    - iv. a) The respective managements of the Holding Company and its subsidiary companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary

shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiary companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that has been considered reasonable and

appropriate in the circumstances performed by us whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement and

- v. The dividend declared or paid during the year / subsequent to the year- end by the Holding company incorporated in India, is in compliance with section 123 of the Act.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 22101974AIGRPG8590

Place of Signature: Ahmedabad

Date: May 02, 2022

## Annexure 1 to the Independent Auditor's report of even date on the consolidated Financial Statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited)

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There are no qualifications or adverse remarks by the respective auditor in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

### **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 Organics Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting Meghmani Organics Limited (hereinafter referred to as the "Holding Company"), as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its two subsidiaries incorporated in India, are 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.

### 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, 2022, 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: 22101974AIGRPG8590

Place of Signature: Ahmedabad

Date: May 02, 2022

# Consolidated Balance Sheet

as at 31st March 2022

(₹ in Lakhs)

Particulars	Notes	31st March 2022	31st March 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3.1	90,737.97	62,902.36
(b) Capital Work-in-Progress	3.2	18,056.01	10,586.68
(c) Other Intangible Assets	3.3	330.23	478.80
(d) Intangible Assets under development	3.2	774.68	632.36
(e) Financial Assets			
(i) Investments	4	21,149.20	20,203.16
(ii) Other Financial Assets	5	1,304.89	1,061.72
(f) Income Tax Assets (Net)	6	2,046.12	1,283.42
(g) Other Non-Current Assets	7	1,671.96	800.14
<b>Total Non-Current Assets</b>		<b>1,36,071.06</b>	<b>97,948.64</b>
<b>Current Assets</b>			
(a) Inventories	8	63,938.80	37,605.84
(b) Financial Assets			
(i) Investments	9	-	10,243.86
(ii) Trade Receivables	10	54,284.68	41,069.34
(iii) Cash and Cash Equivalents	11	1,048.99	2,071.60
(iv) Bank Balances other than (iii) above	12	77.12	77.16
(v) Loans	13	47.90	39.86
(vi) Other Financial Assets	14	13,971.42	3,593.71
(c) Other Current Assets	15	10,321.12	4,765.07
<b>Total Current Assets</b>		<b>1,43,690.03</b>	<b>99,466.44</b>
<b>TOTAL ASSETS</b>		<b>2,79,761.09</b>	<b>1,97,415.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	2,543.14	2,543.14
(b) Other Equity	17	1,44,079.30	1,14,759.98
<b>Total Equity</b>		<b>1,46,622.44</b>	<b>1,17,303.12</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	20,878.62	12,323.08
(ii) Lease liabilities	19	344.31	487.25
(iii) Other Financial Liabilities	20	115.44	179.89
(b) Provisions	21	1,607.44	1,349.32
(c) Deferred Tax Liabilities (Net)	22	6,113.46	4,404.52
(d) Other Non-Current Liabilities	23	591.53	-
<b>Total Non-Current Liabilities</b>		<b>29,650.80</b>	<b>18,744.06</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	28,571.98	13,870.21
(ii) Lease liabilities	19	142.94	110.74
(iii) Trade Payables	25	57,419.54	34,020.38
(iv) Other Financial Liabilities	26	7,748.09	9,135.69
(b) Other Current Liabilities	27	7,641.03	2,266.10
(c) Provisions	28	16.04	11.46
(d) Current Tax Liabilities (Net)	29	1,948.23	1,953.32
<b>Total Current Liabilities</b>		<b>1,03,487.85</b>	<b>61,367.90</b>
<b>Total Liabilities</b>		<b>1,33,138.65</b>	<b>80,111.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,79,761.09</b>	<b>1,97,415.08</b>
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

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**  
Partner  
Membership No : 101974

Place : Ahmedabad  
Date : 2nd May 2022

For and on behalf of the Board of Directors of Meghmani Organics Limited  
(Formerly known as Meghmani Organochem Limited)  
(CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022

# Consolidated Statement of Profit and Loss

for the year ended on 31st March 2022

(₹ in Lakhs)

Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
I Revenue From Operations	30	2,49,845.81	1,63,665.61
II Other Income	31	9,624.05	2,471.83
<b>III Total Income (I+II)</b>		<b>2,59,469.86</b>	<b>1,66,137.44</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	32	1,59,756.66	94,947.62
Purchase of Stock-in-Trade		1,541.88	1,811.36
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(15,978.33)	(6,295.45)
Employee Benefits Expense	34	11,956.97	10,238.09
Finance Costs	35	940.98	1,119.34
Depreciation and Amortization Expenses	3	6,265.26	5,068.08
Other Expenses	36	54,717.55	34,718.60
<b>Total Expenses (IV)</b>		<b>2,19,200.97</b>	<b>1,41,607.64</b>
<b>V Profit Before Exceptional Items and Tax (III-IV)</b>		<b>40,268.89</b>	<b>24,529.80</b>
VI Exceptional Items	37	(611.14)	(650.00)
<b>VII Profit Before Tax (V-VI)</b>		<b>40,880.03</b>	<b>25,179.80</b>
<b>VIII Tax Expenses</b>	22		
1 Current Tax		8,825.22	6,671.31
2 Adjustment of Tax Relating to Earlier Years		(80.05)	-
3 Deferred Tax Charge / (Credit) (Net)		1,692.78	(139.12)
<b>Total Tax Expenses (VIII)</b>		<b>10,437.95</b>	<b>6,532.19</b>
<b>IX. Profit For The Year (VII-VIII)</b>		<b>30,442.08</b>	<b>18,647.61</b>
<b>X. Other Comprehensive Income</b>	38		
A (i) Items that will not be reclassified to Profit or Loss in Subsequent periods - Remeasurement gain on defined benefit plans		57.57	27.20
(ii) Income tax effect on above		(14.49)	(6.85)
B (i) Items that will be reclassified to Profit or Loss in Subsequent periods - Foreign Currency Translation of Foreign Operations		6.68	(0.45)
(ii) Income tax effect on above		(1.68)	0.11
<b>Total Other Comprehensive Income For The Year, Net of Tax (X)</b>		<b>48.08</b>	<b>20.01</b>
<b>XI. Total Comprehensive Income For The Year (IX + X)</b>		<b>30,490.16</b>	<b>18,667.62</b>
<b>Profit For the Year Attributable to:</b>			
Owners of the Company		30,442.08	18,647.61
<b>Other Comprehensive Income For the Year Attributable to:</b>			
Owners of the Company		48.08	20.01
<b>Total Comprehensive Income For the Year Attributable to:</b>			
Owners of the Company		30,490.16	18,667.62
<b>XII. Earnings Per Equity Share (Face Value Per Share - ₹ 1 Each) (In ₹)</b>	39		
Basic and Diluted		11.97	7.33
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

Chartered Accountants

ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**

Partner

Membership No : 101974

Place : Ahmedabad

Date : 2nd May 2022

For and on behalf of the Board of Directors of Meghmani Organics Limited  
(Formerly known as Meghmani Organochem Limited)  
(CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad

Date : 2nd May 2022

# Consolidated Cash Flow Statement

for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	40,880.03	25,179.80
<b>Adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation and Amortisation Expenses	6,265.26	5,068.08
Unrealised Foreign Exchange (Gain) / Loss (Net)	(1,032.86)	2,058.80
Liability no longer Required written back	(1,798.68)	(158.14)
Dividend and Interest Income	(1,778.11)	(265.14)
Finance cost	940.98	1,119.34
(Reversal) / Provision of Bad Debt	(226.58)	167.61
Sundry Balance Written off / (Written Back)	(46.51)	6.20
Profit on Sale of Mutual Funds	(298.09)	(179.44)
Fair Value Gain on investment in RPS measured at FVTPL	(946.04)	(1,124.00)
Loss on Sale of Property, Plant & Equipment (Net)	73.73	80.96
Inventory Written off	24.24	-
<b>Operating Profit Before Working Capital Changes</b>	<b>42,057.37</b>	<b>31,954.07</b>
<b>Adjustment for:</b>		
(Increase) in Inventories	(25,945.17)	(7,247.47)
(Increase)/Decrease in Trade Receivables	(11,944.81)	2,655.40
(Increase) in Short Term Loans and Advances	(8.04)	(0.22)
(Increase)/Decrease in Other Current Financial Assets	(8,840.64)	71.38
(Increase) in Other Current Assets	(4,608.20)	(590.80)
(Increase)/Decrease in Other Non-Current Financial Assets	(175.77)	0.99
Decrease in Other Non-Current Assets	95.95	-
Increase in Trade Payables	23,317.74	10,845.50
Increase/(Decrease) in Other Current Financial Liabilities	(432.36)	3,664.83
Increase/(Decrease) in Other Current Liabilities	2,319.14	(1,260.83)
Increase/(Decrease) in Other Non Financial Liabilities	(152.99)	151.46
(Decrease) in Other Non Current Liabilities	(0.36)	-
Increase in Provisions	314.26	231.28
<b>Working Capital Changes</b>	<b>(26,061.25)</b>	<b>8,521.52</b>
<b>Cash Generated from Operation</b>	<b>15,996.12</b>	<b>40,475.59</b>
Direct Taxes Paid (Net of Refund)	(9,512.90)	(7,136.34)
<b>Net Cash Generated from Operating Activities</b>	<b>6,483.22</b>	<b>33,339.25</b>
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Property, Plant & Equipment	(24,354.00)	(20,938.58)
Proceeds from sale of Property, Plant & Equipment	136.51	46.55
(Investment in) Fixed Deposits	(107.54)	(4,001.62)
Redemption of Fixed Deposits	-	4,000.00
(Investment) in earmarked balances with Banks	(11.43)	-
Dividend and Interest Received	500.19	265.14
Proceeds from Redemption of Mutual Fund	23,441.30	16,784.27
(Investments) in Mutual Fund	(12,899.36)	(26,848.68)
<b>Net Cash (Used in) Investing Activities</b>	<b>(13,294.33)</b>	<b>(30,692.92)</b>



# Consolidated Cash Flow Statement

for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(3,548.97)	-
Finance cost Paid	(1,078.75)	(882.26)
Repayment of Finance Lease Liability	(157.32)	(157.32)
(Repayment) from Short Term Borrowings	(417.61)	(7,067.81)
Proceeds from Bank Borrowing (Term Loan)	15,000.00	10,997.25
Repayment of Bank Borrowing (Term Loan)	(4,025.45)	(4,313.85)
<b>Net Cash (Used in) / Generated From Financing Activities</b>	<b>5,771.90</b>	<b>(1,423.99)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalent (A+B+C)</b>	<b>(1,039.21)</b>	<b>1,222.34</b>
<b>Cash and Cash Equivalent at the beginning of the Year</b>	<b>2,071.60</b>	<b>849.26</b>
Add - Cash and Cash Equivalent Acquired on account of business combination (Refer Note 51)	16.60	-
<b>Cash and Cash Equivalent at the end of the Year</b>	<b>1,048.99</b>	<b>2,071.60</b>
<b>Reconciliation of Cash and Cash Equivalent</b>		
<b>Total Cash &amp; Bank Balance as per Balance Sheet</b>	<b>1,048.99</b>	<b>2,071.60</b>
Balance with Banks in Current Accounts	1,039.49	763.28
Fixed Deposit with Bank	-	1,300.00
Cash on Hand	9.50	8.32
<b>Cash and Cash Equivalents (Refer Note 11)</b>	<b>1,048.99</b>	<b>2,071.60</b>

## Notes to the Cash Flow statement for the year ended on 31st March 2022.

1) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

### 2) Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	April 1, 2021	Cash flows	Other	March 31, 2022
Current borrowings (Note 24)	9,878.19	(417.61)	12,954.00	22,414.58
Lease liabilities (Note 19)	597.99	(157.32)	46.58	487.25
Non - current borrowings (including current portion of Long term Debt) (Note 18 and 24)	16,315.10	10,974.55	(253.63)	27,036.02
Accrued interest (Note 26)	26.33	(26.33)	107.63	107.63
<b>Total liabilities from financing activities</b>	<b>26,817.61</b>	<b>10,373.29</b>	<b>12,854.58</b>	<b>50,045.48</b>

(₹ in Lakhs)

Particulars	April 1, 2020	Cash flows	Other	March 31, 2021
Current borrowings (Note 24)	16,725.93	(7,067.81)	220.07	9,878.19
Lease liabilities (Note 19)	699.74	(157.32)	55.57	597.99
Non - current borrowings (including current portion of Long term Debt) (Note 18 and 24)	5,558.30	6,683.40	4,073.40	16,315.10
Accrued interest (Note 26)	35.41	(35.41)	26.33	26.33
<b>Total liabilities from financing activities</b>	<b>23,019.38</b>	<b>(577.14)</b>	<b>4,375.37</b>	<b>26,817.61</b>

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time, repayment of short term debt acquired on acquisition of KCL (Refer note 51) and effect of Unrealised foreign currency amount on external commercial borrowings.

### AS PER OUR REPORT OF EVEN DATE

#### FOR S R B C & CO LLP

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**

Partner

Membership No : 101974

Place : Ahmedabad  
Date : 2nd May 2022

For and on behalf of the Board of Directors of Meghmani Organics Limited  
(Formerly known as Meghmani Organochem Limited)  
(CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022

# Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

## (a) Equity Share Capital (Refer Note 16)

Particulars	Note	No of Shares	₹ in Lakhs
<b>Issued, Subscribed and fully paid equity shares of ₹ 1 each</b>		-	-
<b>As at 1st April 2020*</b>		25,43,14,211	2,543.14
Changes in Equity Share Capital due to prior period errors		-	-
<b>Balance as at 1st April 2020</b>		25,43,14,211	2,543.14
Changes in equity share capital during the year	16	-	-
<b>As at 31st March 2021</b>		25,43,14,211	2,543.14
Changes in Equity Share Capital due to prior period errors		-	-
<b>Balance as at 1st April 2021</b>		25,43,14,211	2,543.14
Changes in equity share capital during the year	16	-	-
<b>As at 31st March 2022</b>		25,43,14,211	2,543.14

## (b) Other Equity

(₹ in Lakhs)

Particulars	Other Equity (Refer Note 17)						Total other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Foreign Currency Translation Reserve	
<b>Opening Balance at April 1, 2020*</b>	(6,991.82)	15,650.48	184.33	12,467.18	74,792.23	(9.59)	96,092.81
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Balance as at 1st April 2020</b>	(6,991.82)	15,650.48	184.33	12,467.18	74,792.23	(9.59)	96,092.81
Profit for the year	-	-	-	-	18,647.61	-	18,647.61
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	20.01	-	20.01
<b>Total Comprehensive Income for the year</b>	-	-	-	-	18,667.62	-	18,667.62
Foreign Currency Translation Reserve	-	-	-	-	-	(0.45)	(0.45)
<b>As at 31st March 2021</b>	(6,991.82)	15,650.48	184.33	12,467.18	93,459.85	(10.04)	1,14,759.98
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Balance as at 1st April 2021</b>	(6,991.82)	15,650.48	184.33	12,467.18	93,459.85	(10.04)	1,14,759.98
Profit for the year	-	-	-	-	30,442.08	-	30,442.08
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	48.08	-	48.08
<b>Total Comprehensive Income for the year</b>	-	-	-	-	30,490.16	-	30,490.16
Less : Dividend Paid	-	-	-	-	(3,560.39)	-	(3,560.39)
Add: On account of Acquisition during the year (Refer Note 51)	2,382.87	-	-	-	-	-	2,382.87
Foreign Currency Translation Reserve	-	-	-	-	-	6.68	6.68
<b>As at 31st March 2022</b>	(4,608.95)	15,650.48	184.33	12,467.18	1,20,389.62	(3.36)	1,44,079.30

\* Restated Pursuant to scheme of arrangement (Refer Note 50)

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

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**  
Partner  
Membership No : 101974

Place : Ahmedabad  
Date : 2nd May 2022

For and on behalf of the Board of Directors of Meghmani Organics Limited  
(Formerly known as Meghmani Organochem Limited)  
(CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 1. Corporate information

The consolidated financial statements comprise financial statements of Meghmani Organics Limited (Formerly Known as Meghmani Organochem Limited) (the Holding Company, Parent Company) and its subsidiaries (holding and subsidiary companies collectively, the Group) for the year ended 31st March 2022. Meghmani Organics Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013. Its shares are listed on Bombay Stock Exchange, and National Stock Exchange in India. The registered office of the company is located at Meghmani House, Nr. Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad 380015, Gujarat, India. The Group is engaged in manufacturing and selling of Pigments and Agrochemicals. Information on the Group's structure is provided in Note 47.

The consolidated financial statements were authorized by board of directors on May 2, 2022.

## 2. Significant Accounting Policies

### 2.1 Basis for Preparation of Accounts

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

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) i.e., 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 subsidiaries as at 31 March 2022. 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 loses 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 Subsidiaries	Country of domicile	Proportion of ownership interest
Meghmani Organics USA Inc.	USA	100%
PT Meghmani Organics Indonesia	Indonesia	100%
Meghmani Overseas FZE	Dubai	100%
Meghmani Synthesis Limited	India	100%
Killburn Chemicals 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 2022.

#### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. 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

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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 subsidiaries 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 loses 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 expect future salary levels, experience of employee departures and periods of service. Refer note 40 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. 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.

### Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, and future economic benefits are probable. The costs which can be capitalised include those that 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 accompanying notes 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 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



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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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

Business combinations are accounted for under the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under Ind AS 103 'Business Combinations' 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 and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the purchase consideration, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in equity as capital reserve.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date.

Those provisional amounts are adjusted through goodwill/Capital reserve during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date

### b. 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 harmonious 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.

### c. Current Vs. Non-Current classification:

The Group presents assets and liabilities in the statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

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

A liability is treated as current when it is:

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

# Notes to the Consolidated Financial Statements

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- 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.

## d. Revenue recognition

Revenue from contract with customer is recognised when control of the goods or services 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 or services. 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 180 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 products purchased 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.

### (a) 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.)

## (iii) 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

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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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.

## 6) Rent income

Rental income arising from operating leases is accounted on the basis of lease terms and is included in other income in the statement of profit and loss.

## e. Foreign Currencies

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that 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 difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

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 on-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).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their

statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in statement of profit and loss.

## f. Fair Value Measurement

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 recognised in the consolidated financial statements on a recurring basis,

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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. 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 43 for:

- 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).

## g. Property, Plant and Equipment

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. 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 recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the Assets.

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 assets where management believes and based on independent technical evaluation, assets estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Leasehold land is amortized over the lease period on a straight line basis.

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. The depreciation rates charged due over following estimated useful lives:



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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Asset	Estimated Useful life
Right to Use - Leasehold Land	99 Years
Right to Use – Building	9 Years
Building	30 Years
Plant & Machinery	12-15 Years
Reactors / Storage Tanks	20 Years
Wind Power Generation Plants	22 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

## h. 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 includes 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. 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. 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. Gains or losses arising from derecognition 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.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset

- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows:

Asset	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 Years
Product licenses	On Straight-line basis	5 - 25 Years
Usage rights	On Straight-line basis	5 Years

### Intangible assets under development

Expenditure incurred on acquisition /development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

## i. 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,

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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:

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

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

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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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 115 (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
- Other 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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

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 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 full currency swaps contracts 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



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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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.

## I. 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 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.

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

### Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid

to the taxation authorities. 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:

- When the deferred tax liability arises from the initial recognition of goodwill or 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
- 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.
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

future and taxable profit will be available against which the temporary differences can be utilised

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.

## 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 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 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 asset 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 asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially 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 measured at amortised cost using the effective interest method. It is re-measured when

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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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. Earnings 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 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 consolidated 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. Dividend

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.

## t. 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.

## 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, 2021, except for the adoption of new standards effective or amendments to the existing Indian Accounting Standards (Ind AS) as of April 01, 2021. 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, 2021 and do not have material impact on the financial statements of the Company.

- a) Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116;
- b) Amendment conceptual framework for financial reporting under Ind AS issued by ICAI;
- c) Amendments to Ind AS 103: Business combination;
- d) Amendments to Ind AS 116: Covid-19-Related Rent Concessions;
- e) Amendments to Ind AS 105, Ind AS 16 and Ind AS 28.

# Notes to the Consolidated Financial Statements for the year ended 31st March 2022

## Note - 3

### Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets, Intangibles under development as on 31st March 2022

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation					Net	
		Opening as at 1st April 2021	Assets Acquired on account of business combination (Refer Note 51)	Addition	Deduction	Exchange Rate Fluctuation	Closing as at 31st March 2022	Opening as at 1st April 2021	Charge for the Year	Deduction/ Adjustment	Exchange Rate Fluctuation	Closing as at 31st March 2022	As at 31st March 2022
3.1 Tangible Assets													
1	Freehold Land	558.40	-	-	-	-	558.40	-	-	-	-	558.40	558.40
2	ROU - Leasehold Land	3,704.09	7,095.00	610.34	-	-	11,409.43	84.96	70.26	-	155.22	11,254.21	3,619.13
3	ROU - Building	797.13	-	-	-	-	797.13	262.06	131.03	-	-	404.04	535.07
4	Building	20,009.96	3,530.00	2,793.64	-	-	26,333.60	3,773.83	835.12	-	-	21,724.65	16,236.13
5	Plant & Machinery	57,295.91	7,130.01	11,720.94	441.43	-	75,705.43	17,170.71	4,522.09	244.14	-	54,256.77	40,125.20
6	Furniture & Fixtures	1,052.59	-	396.25	-	0.46	1,449.30	342.48	109.97	-	0.34	996.51	710.11
7	Vehicles	1,504.56	1.36	33.06	58.29	2.51	1,483.20	764.33	153.10	51.07	1.00	615.84	740.23
8	Computers	208.65	0.04	41.40	28.60	0.03	221.52	136.46	30.68	16.31	0.03	70.66	72.19
9	Other Equipments	600.53	9.47	682.49	27.91	0.02	1,264.60	294.63	140.54	27.48	0.02	856.89	305.90
Sub Total		85,731.82	17,765.88	16,278.12	556.23	3.02	1,19,222.61	22,829.46	5,992.79	339.00	1.39	90,737.97	62,902.36
3.3 Intangible Assets													
1	Software Licenses	140.67	-	15.00	-	-	155.67	102.45	16.19	-	-	37.03	38.22
2	Product Licenses	2,175.92	-	108.90	-	-	2,284.82	1,825.90	227.80	-	-	231.12	350.02
3	Usage Rights	356.81	-	-	-	-	356.81	266.25	28.48	-	-	62.08	90.56
Sub Total		2,673.40	-	123.90	-	-	2,797.30	2,194.60	272.47	-	-	330.23	478.80
Total		88,405.22	17,765.88	16,402.02	556.23	3.02	1,22,019.91	25,024.06	6,265.26	339.00	1.39	91,068.20	63,381.16

### 3.2 Capital Work in Progress/Intangibles under Development

Particulars	Capital work in progress	
	Tangible	Intangible
<b>Cost</b>		
As at March 31, 2021	10,586.68	632.36
Addition	15,586.56	251.22
Capitalisation	8,117.23	108.9
<b>As at March 31, 2022</b>	<b>18,056.01</b>	<b>774.68</b>
		<b>11,219.04</b>
		<b>15,837.78</b>
		<b>996.51</b>
		<b>18,830.69</b>

- (i) Capital Work-in-Progress for Tangible Assets as at 31st March 2022 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.
- (ii) Intangible Assets under Development as at 31st March 2022 comprises expenditure for the development and registration of product licenses, considering which there are no stipulated timelines for completion of activities



# Notes to the Consolidated Financial Statements for the year ended 31st March 2022

## Note - 3

### Property, Plant and Equipment, Capital Work In Progress, Other Intangible Assets, Intangibles under development as on 31st March 2021

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net	
		Opening as at 1st April 2020	Addition	Deduction	Exchange Rate Fluctuation	Closing as at 31st March 2021	Charge for the Period	Deduction	Exchange Rate Fluctuation	Closing as at 31st March 2021	As at 31st March 2020*
<b>3.1</b>	<b>Tangible Assets</b>										
1	Freehold Land	558.40	-	-	-	558.40	-	-	-	558.40	558.40
2	ROU - Leasehold Land	3,704.09	-	-	-	3,704.09	42.48	-	-	3,619.13	3,661.61
3	ROU - Building	797.13	-	-	-	797.13	131.03	-	-	535.07	666.10
4	Building	16,910.46	3,099.50	-	-	20,009.96	681.88	-	-	16,236.13	13,818.51
5	Plant & Machinery	40,601.20	16,904.99	210.28	-	57,295.91	3,426.37	116.49	-	40,125.20	26,740.37
6	Furniture & Fixtures	808.60	265.59	21.30	(0.30)	1,052.59	78.56	9.84	(0.31)	710.11	534.53
7	Vehicles	1,510.44	63.49	68.47	(0.90)	1,504.56	159.56	48.19	(0.83)	740.23	856.65
8	Computers	183.56	28.62	3.50	(0.03)	208.65	27.69	1.95	(0.03)	136.46	72.81
9	Other Equipments	452.03	162.47	13.96	(0.01)	600.53	74.35	11.02	(0.01)	305.90	220.72
	<b>Sub Total</b>	<b>65,525.91</b>	<b>20,524.66</b>	<b>317.51</b>	<b>(1.24)</b>	<b>85,731.82</b>	<b>4,621.92</b>	<b>187.49</b>	<b>(1.18)</b>	<b>62,902.36</b>	<b>47,129.70</b>
<b>3.3</b>	<b>Intangible Assets</b>										
1	Software Licenses	140.67	-	-	-	140.67	16.06	-	-	102.45	54.28
2	Product Licenses	2,175.92	-	-	-	2,175.92	393.49	-	-	1,825.90	743.51
3	Usage Rights	356.81	-	-	-	356.81	36.61	-	-	266.25	127.17
	<b>Sub Total</b>	<b>2,673.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,673.40</b>	<b>446.16</b>	<b>-</b>	<b>-</b>	<b>2,194.60</b>	<b>924.96</b>
	<b>Total</b>	<b>68,199.31</b>	<b>20,524.66</b>	<b>317.51</b>	<b>(1.24)</b>	<b>88,405.22</b>	<b>5,068.08</b>	<b>187.49</b>	<b>(1.18)</b>	<b>63,381.16</b>	<b>48,054.66</b>

### 3.2 Capital Work in Progress/Intangibles under Development

Particulars	Capital work in progress (₹ in lakhs)	
	Tangible	Intangible
<b>Cost</b>		
<b>As at March 31, 2020*</b>	<b>9,637.37</b>	<b>438.90</b>
Addition	8,971.81	193.46
Capitalisation	8,022.50	-
<b>As at March 31, 2021</b>	<b>10,586.68</b>	<b>632.36</b>
		<b>11,219.04</b>

(i) Capital Work-in-Progress for Tangible Assets as at 31st March 2021 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) Intangible Assets under Development as at 31st March 2021 comprises expenditure for the development and registration of product licenses, considering which there are no stipulated timelines for completion of activities

\* Restated Pursuant to scheme of arrangement (Refer Note 50)

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## Capital work in progress (CWIP) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14,863.97	2,043.97	929.41	218.66	18,056.01
<b>Total</b>	<b>14,863.97</b>	<b>2,043.97</b>	<b>929.41</b>	<b>218.66</b>	<b>18,056.01</b>

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

₹ In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Agro V	15,517.58	-	-	-	15,517.58

## Capital work in progress (CWIP) Ageing Schedule As at 31 March 2021

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,881.58	1,488.21	216.89	-	10,586.68
<b>Total</b>	<b>8,881.58</b>	<b>1,488.21</b>	<b>216.89</b>	<b>-</b>	<b>10,586.68</b>

## Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	408.86	155.06	65.56	145.20	774.68
<b>Total</b>	<b>408.86</b>	<b>155.06</b>	<b>65.56</b>	<b>145.20</b>	<b>774.68</b>

## Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2021

₹ In Lakhs

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	189.20	94.21	93.83	255.12	632.36
<b>Total</b>	<b>189.20</b>	<b>94.21</b>	<b>93.83</b>	<b>255.12</b>	<b>632.36</b>

Also Refer Note 3.2 (ii) above

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 4 FINANCIAL ASSETS : INVESTMENTS

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Investment at fair value through Other Comprehensive Income</b>		
<b>(I) Investments in Equity Shares (Unquoted)</b>		
(i) 4 (31st March 2021 - 4) Equity Shares of Alaukik Owners Association of ₹100/- each #	0	0
(ii) 5,17,085 (31st March 2021 - 5,17,085) Equity Shares of Narmada Clean Tech of ₹10/- each	51.71	51.71
(iii) 14,000 (31st March 2021 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of ₹10/- each	1.40	1.40
(iv) 500 (31st March 2021 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of ₹10/- each	0.05	0.05
(v) 30,000 (31st March 2021 - 30,000) Equity Shares of Panoli Enviro Technology of ₹10/- each	3.00	3.00
(vi) 100 (31st March 2021 - 100) Equity Shares of Sanand Eco Project Limited of ₹10/- each	0.01	0.01
(vii) 2,000 (31st March 2021 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of ₹50/- each	1.00	1.00
(viii) 10 (31st March 2021 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of ₹50/- each	0.01	0.01
<b>Total (I)</b>	<b>57.18</b>	<b>57.18</b>
<b>Investment at fair value through Profit and Loss</b>		
<b>(II) Investments in Redeemable Preference Shares (RPS) (Unquoted)</b>		
210,919,871 (31st March 2021 - 210,919,871) 8% RPS of Meghmani Finechem Limited of ₹ 10/- each (Refer Note 50)	21,091.99	20,145.95
<b>Total (II)</b>	<b>21,091.99</b>	<b>20,145.95</b>
<b>Investment at Amortised Cost</b>		
<b>(III) Investments in Government Securities (Unquoted)</b>		
National Savings Certificates	0.03	0.03
<b>Total (III)</b>	<b>0.03</b>	<b>0.03</b>
<b>Total (I+II+III)</b>	<b>21,149.20</b>	<b>20,203.16</b>

Note - # Amount is less than ₹ 0.01 Lakh

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Aggregate Value Of Investments in unquoted Investments	21,149.20	20,203.16

Note - i) Aggregate and Fair value of Quoted investment is ₹ Nil

ii) Aggregate value of impairment of Investment is ₹ Nil

## 5 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Security Deposits	747.80	505.04
Bank Deposits with original maturity of more than 12 months (including interest accrued) (Refer Note below)	557.09	556.68
<b>TOTAL</b>	<b>1,304.89</b>	<b>1,061.72</b>

Note :-

Margin money deposits amounting ₹ 557.09 Lakhs are given as security against guarantees with Banks (31st March 2021 - ₹ 556.68 Lakhs). These deposits are made for varying periods of 1 year to 5 years and earns interest ranging between 5.00% to 6.25% (31st March 2021 - 4.90% to 6.75%).

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 6 INCOME TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	31st March 2022	31st March 2021
Advance payment of Income Tax and TDS (Net of Provision)	2,046.12	1,283.42
<b>TOTAL</b>	<b>2,046.12</b>	<b>1,283.42</b>

## 7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)		
Particulars	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Capital Advances	1,443.46	475.68
Balances with Government Authorities (Amount Paid Under Protest)	228.50	324.46
<b>TOTAL</b>	<b>1,671.96</b>	<b>800.14</b>

## 8 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in Lakhs)		
Particulars	31st March 2022	31st March 2021
Raw Materials	16,896.72	8,834.62
Raw Materials in Transit	1,688.37	487.39
Work In Process	3,256.17	2,206.81
Finished Goods	11,001.33	9,150.02
Finished Goods in Transit	27,453.54	14,815.16
Stock in Trade	789.18	349.90
Stores and Spares	1,169.68	888.95
Others (Packing Material and Fuel Stock)	1,683.81	872.99
<b>TOTAL</b>	<b>63,938.80</b>	<b>37,605.84</b>

## 9 INVESTMENTS - CURRENT

(₹ in Lakhs)		
Particulars	31st March 2022	31st March 2021
<b>Investment at fair value through Profit and Loss</b>		
<b>Investments in Mutual Funds (Quoted) (Fully Paid)</b>		
Axis Liquid Fund	-	4,809.79
LIC MF Liquid Fund Direct Plan Growth	-	5,133.86
SBI Mutual Fund	-	300.21
<b>TOTAL</b>	<b>-</b>	<b>10,243.86</b>

(₹ in Lakhs)		
Particulars	31st March 2022	31st March 2021
Aggregate Carrying value Of Quoted Investments	-	10,243.86
Aggregate Market value Of Quoted Investments	-	10,243.86

## 10 TRADE RECEIVABLES

(₹ in Lakhs)		
Particulars	31st March 2022	31st March 2021
<b>Trade receivables</b>		
Secured, Considered Good	155.22	134.88
Unsecured, Considered Good	54,129.46	40,934.46
Trade receivables which have significant increase in credit risk	292.73	237.00
Trade receivables - credit impaired	649.60	1,325.01
	<b>55,227.01</b>	<b>42,631.35</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	(292.73)	(237.00)
Trade receivables - credit impaired	(649.60)	(1,325.01)
<b>TOTAL</b>	<b>54,284.68</b>	<b>41,069.34</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 10 TRADE RECEIVABLES (Contd...)

Trade receivable are secured to the extent of deposit received from the customers.

Trade Receivables are non-interest bearing and are generally on terms of 30 to 180 days.

For amounts due and terms and conditions relating to related party receivables, Refer Note 43.

For information about Credit Risk and Market Risk related to Trade Receivables, Refer Note 44.

### Trade receivables Ageing Schedule

As at 31 March 2022

(₹ in Lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	44,139.15	9,412.16	635.63	-	-	-	54,186.94
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	289.45	-	-	-	289.45
Undisputed Trade receivable – credit impaired	-	-	-	144.25	69.81	48.56	262.62
Disputed Trade receivables - considered good	-	-	97.74	-	-	-	97.74
Disputed Trade receivables – which have significant increase in credit risk	-	-	3.28	-	-	-	3.28
Disputed Trade receivables – credit impaired	-	-	24.43	44.94	114.25	203.36	386.98
<b>Total</b>	<b>44,139.15</b>	<b>9,412.16</b>	<b>1,050.53</b>	<b>189.19</b>	<b>184.06</b>	<b>251.92</b>	<b>55,227.01</b>

As at 31 March 2021

(₹ in Lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	29,995.40	10,700.49	373.45	-	-	-	41,069.34
Undisputed Trade Receivables – which have significant increase in credit risk	-	237.00	-	-	-	-	237.00
Undisputed Trade receivable – credit impaired	-	-	-	437.65	219.49	267.42	924.55
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	184.00	77.71	138.76	400.46
<b>Total</b>	<b>29,995.40</b>	<b>10,937.49</b>	<b>373.45</b>	<b>621.64</b>	<b>297.19</b>	<b>406.18</b>	<b>42,631.35</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 11 CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
<b>Balance with Banks</b>		
Balance with Banks in current accounts	1,039.49	763.28
Cash on hand	9.50	8.32
Bank deposits with original maturity of less than three months	-	1,300.00
<b>TOTAL</b>	<b>1,048.99</b>	<b>2,071.60</b>

### Note :-

Fixed bank deposits amounting ₹ Nil (31st March 2021 - ₹ 1,300 Lakhs) were for varying period ranging between 1 day to 3 months and earned interest approximately @ 6.25% (31st March 2021 - 6.25%)

## 12 OTHER BANK BALANCES

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
Deposits with original maturity of more than three months but less than twelve months (Refer Note below)	4.54	16.01
Earmarked balances for Unclaimed Dividend	72.58	61.15
<b>TOTAL</b>	<b>77.12</b>	<b>77.16</b>

### Note :-

Deposits amounting ₹ 4.54 Lakhs are given as security against guarantees with Banks (31st March 2021 - ₹ 16.01 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 4.90% to 6.00%. (31st March 2021 5.80% to 7.00%).

## 13 LOANS

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Loan to Employees (Refer Note below)	47.90	39.86
<b>TOTAL</b>	<b>47.90</b>	<b>39.86</b>

### Notes

The loans to employees are interest free and are generally for a tenure of 6 to 12 months.

Since all the above loans given by the Group 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.

## 14 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Export Benefit Receivable	675.66	2,083.62
Dividend Receivable on RPS (Refer Note 50)	1,385.48	-
Bank Deposit (Refer Note below)	118.62	-
Other Deposit	0.20	0.20
Balance with Government Authorities (GST Refund)	11,791.46	1,509.89
<b>TOTAL</b>	<b>13,971.42</b>	<b>3,593.71</b>

Deposits amounting ₹ 118.62 Lakhs are given as security against guarantees with Banks (31st March 2021 - ₹ Nil). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 4.90% to 6.00% (31st March 2021: Nil).

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 15 OTHER CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
<b>Unsecured, Considered Good</b>		
Balance with Government Authorities (Refer Note below)	7,282.26	3,634.01
Advances to Suppliers	582.68	413.86
Employee Imprest	30.68	-
Prepaid Expenses	616.83	597.42
Export Benefit Receivable	1,677.99	-
Others	130.68	119.78
<b>TOTAL</b>	<b>10,321.12</b>	<b>4,765.07</b>

**Note:** Balance with Government Authorities includes VAT / Cenvat / Service Tax credit receivable and GST.

## 16 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	₹ in Lakhs
Equity shares of ₹ 1 each.		
<b>As at 1st April 2020*</b>	<b>37,00,00,000</b>	<b>3,700.00</b>
Changes during the year	-	-
<b>As at 31st March 2021</b>	<b>37,00,00,000</b>	<b>3,700.00</b>
Changes during the year	-	-
<b>As at 31st March 2022</b>	<b>37,00,00,000</b>	<b>3,700.00</b>

ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	No. of shares	₹ in Lakhs
Equity shares of ₹ 1 each.	25,43,14,211	2,543.14

### Reconciliation of shares outstanding at the beginning and at the end of the Year

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
Equity shares of ₹ 1 each.		
<b>As at 1st April 2020*</b>	25,43,14,211	2,543.14
Changes during the year	-	-
<b>As at 31st March 2021</b>	25,43,14,211	2,543.14
Changes during the year	-	-
<b>As at 31st March 2022</b>	<b>25,43,14,211</b>	<b>2,543.14</b>

\* Restated Pursuant to scheme of arrangement (Refer Note 50)

### Terms / Rights attached to Equity shares

The Holding Company has one class of Equity Shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

### Details of Equity shares of ₹ 1 each, as held by promoters

**As at 31 March 2022**

Promoter Name	(₹ in Lakhs)				
	No. of shares at the beginning of the year*	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. Jayanti Patel	1,80,24,390	-	1,80,24,390	7.09%	0.00%
Mr. Ashish Soparkar	2,54,40,396	1,00,000	2,55,40,396	10.04%	0.04%
Mr. Natwarlal Patel	2,07,39,850	1,58,000	2,08,97,850	8.22%	0.06%
Mr. Ramesh Patel	1,58,85,567	26,500	1,59,12,067	6.26%	0.01%

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 16 SHARE CAPITAL (Contd...)

(₹ in Lakhs)

Promoter Name	No. of shares at the beginning of the year*	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. Anand Patel	78,93,200	50,000	79,43,200	3.12%	0.02%
Mr. Ankit Patel	32,53,260	40,000	32,93,260	1.29%	0.02%
Mr. Karana Patel	19,71,000	-	19,71,000	0.78%	0.00%
Mr. Darshan Patel	11,46,205	-	11,46,205	0.45%	0.00%
<b>Total</b>	<b>9,43,53,868</b>	<b>3,74,500</b>	<b>9,47,28,368</b>		

### As at 31 March 2021

₹ in Lakhs

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year*	% of Total Shares	% change during the year
Mr. Jayanti Patel	-	1,80,24,390	1,80,24,390	7.09%	100.00%
Mr. Ashish Soparkar	-	2,54,40,396	2,54,40,396	10.00%	100.00%
Mr. Natwarlal Patel	-	2,07,39,850	2,07,39,850	8.16%	100.00%
Mr. Ramesh Patel	-	1,58,85,567	1,58,85,567	6.25%	100.00%
Mr. Anand Patel	-	78,93,200	78,93,200	3.10%	100.00%
Mr. Ankit Patel	-	32,53,260	32,53,260	1.28%	100.00%
Mr. Karana Patel	-	19,71,000	19,71,000	0.78%	100.00%
Mr. Darshan Patel	-	11,46,205	11,46,205	0.45%	100.00%
Meghmani Organics Limited#	50,000	(50,000)	-	0.00%	-100.00%
<b>Total</b>	<b>50,000</b>	<b>9,43,03,868</b>	<b>9,43,53,868</b>		

\*The shares held by erstwhile Holding Company Meghmani Organics Limited (MOL) consisting of 50,000 shares have been cancelled pursuant to the Scheme of Arrangement. Further as per the Scheme, the Holding Company has issued shares to share holders of MOL with effect from April 1, 2020. Accordingly, disclosures pertaining to shares held by promoter has not be made in previous year (Refer note 50).

\*Allotment of shares by Meghmani Organics Limited (Formerly known as Meghmani Organochem limited) was made on 20 May, 2021 in accordance with the Scheme of Arrangement and the Holding Company had given effect to the scheme including allotment of shares for the year ended on 31 March, 2021 considering it to be an adjusting event. Accordingly, number of shares held by the promoters on 20 May, 2021 has been considered as held from the beginning of the year and changes during the year for the purpose of above disclosure.

### Details of Shareholder holding more than 5% Equity Shares

(₹ in Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Jayanti Patel	1,80,24,390	7.09%	1,80,24,390	7.09%
Mr. Ashish Soparkar	2,55,40,396	10.04%	2,54,40,396	10.00%
Mr. Natwarlal Patel	2,08,97,850	8.22%	2,07,39,850	8.16%
Mr. Ramesh Patel	1,59,12,067	6.26%	1,58,85,567	6.25%
<b>Total</b>	<b>8,03,74,703</b>	<b>31.60%</b>	<b>8,00,90,203</b>	<b>31.49%</b>

### Dividend Distribution made and proposed

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Dividends on Equity shares declared and paid:		
Final dividend for 31 March 2021: ₹ 1.40 per share (31 March 2020: ₹ Nil per share)	3,560.39	-
Proposed dividends on Equity shares:		
Proposed dividend for 31 March 2022: ₹ 1.40 per share (31 March 2021: ₹ 1.40 per share)	3,560.39	3,560.39



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 17 Other Equity

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>(1) Securities Premium</b>		
Balance as at the Beginning of the year	15,650.48	15,650.48
<b>Balance as at the end of the year</b>	<b>15,650.48</b>	<b>15,650.48</b>
<b>(2) Capital Reserve</b>		
Balance as at the Beginning of the year	(6,991.82)	(6,991.82)
Add : On account of Acquisition during the year (Refer Note 51)	2,382.87	-
<b>Balance as at the end of the year</b>	<b>(4,608.95)</b>	<b>(6,991.82)</b>
<b>(3) General Reserve</b>		
Balance as at the Beginning of the year	12,467.18	12,467.18
<b>Balance as at the end of the year</b>	<b>12,467.18</b>	<b>12,467.18</b>
<b>(4) Capital Redemption Reserve</b>		
Balance as at the Beginning of the year	184.33	184.33
<b>Balance as at the end of the year</b>	<b>184.33</b>	<b>184.33</b>
<b>(5) Foreign Currency Translation Reserve</b>		
Balance as at the Beginning of the year	(10.04)	(9.59)
Add : Addition during the year	6.68	(0.45)
<b>Balance as at the end of the year</b>	<b>(3.36)</b>	<b>(10.04)</b>
<b>(6) Retained Earning</b>		
Balance as at the Beginning of the year	93,459.85	74,792.23
Add : Profit for the year	30,442.08	18,647.61
Add : Other Comprehensive Income for the Year (Net)	48.08	20.01
	1,23,950.01	93,459.85
Less : Appropriation		
Dividend Paid	3,560.39	-
	3,560.39	-
<b>Balance as at the end of the year</b>	<b>1,20,389.62</b>	<b>93,459.85</b>
<b>TOTAL</b>	<b>1,44,079.30</b>	<b>1,14,759.98</b>

### Nature and purpose of Reserves :

#### Securities premium

In cases where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares has been transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and to buy-back of shares.

#### Capital Reserve

The Capital Reserve represents difference between consideration paid and net assets acquired on business combination. Opening balance pertains to business combination under common control transaction. Addition during the year pertains to excess of fair value of net assets acquired over consideration paid in a business combination on consolidation.

#### General Reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

#### Capital Redemption Reserve

Capital Redemption Reserve was created for buy-back of shares in earlier years.

#### Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in Other Comprehensive Income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 18 BORROWINGS (NON CURRENT)

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
<b>SECURED</b>		
<b>Term Loan Facilities from Banks :</b>		
In Indian Currency (Refer Note - iii below)	14,933.97	-
In Foreign currency (Refer Note - i & ii)	12,102.05	16,315.10
<b>TOTAL</b>	<b>27,036.02</b>	<b>16,315.10</b>
Current maturity of long term borrowing disclosed under 'short term borrowings' (Refer Note 24)	6,157.40	3,992.02
<b>Total non-current borrowing</b>	<b>20,878.62</b>	<b>12,323.08</b>
The above amounts includes:		
Secured borrowing	20,878.62	12,323.08
Unsecured borrowing	-	-

Refer Note No - 44 For Interest Rate Risk and Liquidity Risk.

### Details of Security and Repayment Terms :

- i The Holding Company has Rupee Term Loan facility of ₹ 9,200.00 Lakhs (31 March 2021: ₹ 9,200.00 Lakhs). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Holding Company (b) Assignment of Lease Hold Land used for Windmill (c) First Pari Passu charge by way of mortgage on immovable fixed assets of the Holding Company (excluding the assets charged specifically to other lenders).

During the year 2019-2020 outstanding India Rupee loan of ₹ 6,899.23 lakhs had been converted into foreign currency loan of Euro 87.41 lakhs. The borrowing carries interest at 6 month Euribor + 1.75% p.a. payable at monthly rest. The effective interest rate is 1.75% for the year. Outstanding balance for this borrowing is Euro 48.56 lakhs equivalent to ₹ 4,089.79 lakhs (as at 31 March 2021: ₹ 5,829.72 lakhs). As per the terms, the foreign loan is repayable in 9 half yearly instalments starting from financial year 2020-21

#### Repayment of loan is as follows :

- 1 - Nine half yearly instalment of Euro 9.71 lakhs

- ii The Holding Company has availed External Commercial Borrowing of Euro 123.30 Lakhs (₹ 10,997.25 Lakhs) during the year. The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company. The borrowing carries interest at 6 month Euribor + 1.20% p.a. payable at 6 monthly rest. The effective interest rate is 1.20% for the year. Outstanding balance for this borrowing is Euro 95.90 lakhs equivalent to ₹ 8,076.70 lakhs (31 March 2021: ₹ 10,572.98 Lakhs). As per the original terms, the loan is repayable in 9 half yearly instalments starting from financial year 2021-22.

#### Repayment of loan is as follows :

- 1 - Nine half yearly instalments of Euro 13.70 lakhs

- iii The Holding Company has availed Rupee Term Loan facility of ₹ 15,000.00 Lakhs (31 March 2021: Nil). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Holding Company situated at Chharodi, Ankleshwar, Panoli and Vatva (b) First Pari Passu charge by way of mortgage on immovable fixed assets of the Holding Company situated as Chharodi, Ankleshwar, Panoli and Vatva. The borrowing carries interest at 6.40% p.a. payable at monthly rest. Outstanding balance for this borrowing is INR 15,000 lakhs. As per the terms, the loan is repayable in 20 quarterly instalments starting from financial year 2022-23.

During current financial year, the company has entered into a cross currency swap ("CCS") transaction on the said Rupee Term loan facility whereby outstanding Rupee Term loan has been swapped with notional principal of USD 201.48 lakhs. As per the terms of CCS agreement, the company receives interest at 6.40% p.a. on notional principal of INR 15,000 lakhs and pays interest at 2.05% p.a. on notional principal of USD 201.48 lakhs at monthly rest. As per the notional principal settlement terms of CCS agreement, the company will receive INR 750 lakhs and pay USD 10.07 lakhs in 20 quarterly instalments starting from financial year 2022-23

#### Repayment of loan is as follows :

- 1 - Twenty quarterly instalments of INR 750 lakhs

- 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. The Holding Company has complied with the covenants as per the terms of loan agreements.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 19 LEASE LIABILITIES (NON - CURRENT / CURRENT)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Non Current</b>		
Lease Liability (Refer Note - 45)	344.31	487.25
<b>TOTAL</b>	<b>344.31</b>	<b>487.25</b>
<b>Current</b>		
Lease Liability (Refer Note - 45)	142.94	110.74
<b>TOTAL</b>	<b>142.94</b>	<b>110.74</b>

## 20 OTHER FINANCIAL LIABILITIES (NON CURRENT)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Financial Liabilities carried at Fair Value Through Profit or Loss:</b>		
Mark to Market Derivative Liabilities	88.53	-
<b>Financial liabilities carried at Cost</b>		
Employee Benefit Payable	26.91	179.89
<b>TOTAL</b>	<b>115.44</b>	<b>179.89</b>

## 21 PROVISIONS (NON CURRENT)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Provision for Employee Benefits</b>		
Gratuity (Refer Note 40)	1,465.28	1,270.71
Leave Encashment	142.16	78.61
<b>TOTAL</b>	<b>1,607.44</b>	<b>1,349.32</b>

## 22 Income Taxes

### (d) Movement in Deferred Tax balances for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Net balance April 1, 2021	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2022	(Deferred tax liability) as at March 31, 2022
Property, Plant and Equipment	(3,625.81)	(669.53)	-	(4,295.34)	-	(4,295.34)
Loans and borrowings	(26.20)	(6.65)		(32.85)	-	(32.85)
Trade Receivables	397.75	(160.58)		237.17	237.17	-
DTA on stock reserve	28.53	57.11	-	85.64	85.64	-
Employee Benefits	321.08	138.96	(14.49)	445.56	445.56	-
Investment	(39.69)	39.69	-	-	-	-
Fair Value gain on RPS	(2,095.67)	(229.77)		(2,325.44)	-	(2,325.44)
Stamp duty pursuant to Scheme of Arrangement (refer note 50)	635.49	(476.16)		159.33	159.33	-
Dividend on RPS	-	(387.53)		(387.53)	-	(387.53)
Currency Translation Reserve	-	1.68	(1.68)	-	-	-
<b>Tax Assets/ (Liabilities)</b>	<b>(4,404.52)</b>	<b>(1,692.78)</b>	<b>(16.17)</b>	<b>(6,113.46)</b>	927.70	(7,041.16)
Set off					(927.70)	927.70
<b>Net Tax Assets / (Liabilities)</b>					-	(6,113.46)

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## Movement in Deferred Tax balances for the year ended March 31, 2021

Particulars	(₹ in Lakhs)					
	Net balance April 1, 2020	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2021	(Deferred tax liability) as at March 31, 2021
Property, Plant and Equipment	(3,407.31)	(218.50)	-	(3,625.81)	-	(3,625.81)
Loans and borrowings	(20.58)	(5.62)	-	(26.20)	-	(26.20)
Trade Receivables	355.57	42.18	-	397.75	397.75	-
DTA on stock reserve	82.70	(54.17)	-	28.53	28.53	-
Employee Benefits	312.62	15.30	(6.85)	321.08	321.08	-
Investment	(21.41)	(18.28)	-	(39.69)	-	(39.69)
Fair Value gain on RPS	(1,838.50)	(257.17)	-	(2,095.67)	-	(2,095.67)
Stamp duty pursuant to Scheme of Arrangement (refer note 50)	-	635.49	-	635.49	635.49	-
Dividend on OCRPS	-	(0.11)	0.11	-	-	-
Currency Translation Reserve	-	-	-	-	-	-
<b>Tax Assets/ (Liabilities)</b>	<b>(4,536.91)</b>	<b>139.12</b>	<b>(6.74)</b>	<b>(4,404.52)</b>	1,382.85	(5,787.37)
Set off	-	-	-	-	(1,382.85)	1,382.85
<b>Net Tax Assets / (Liabilities)</b>	-	-	-	-	-	(4,404.52)

## 23 OTHER NON-CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
Other Payable (Refer Note 51)	591.53	-
<b>TOTAL</b>	<b>591.53</b>	<b>-</b>

## 24 BORROWINGS (CURRENT)

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
<b>Loans Repayable on Demand - Cash credit, packing credit, working capital demand loan and Overdraft facility accounts (Refer Note below)</b>		
<b>Secured Loans</b>		
From Banks - In Indian Currency	317.79	513.25
From Banks - In Foreign Currency	10,310.98	9,364.94
Current maturities of Non Current Borrowings (Refer Note 18)	6,157.40	3,992.02
<b>Unsecured Loans</b>		
From Banks - In Indian Currency	6,000.00	-
From Banks - In Foreign Currency	5,785.81	-
<b>TOTAL</b>	<b>28,571.98</b>	<b>13,870.21</b>

### Details of Security and Repayment Terms :

The Holding Company has availed Cash credit, packing credit and working capital demand loans of ₹ 40,000 lakhs (31 March 2021: ₹ 40,000 lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, ICICI Bank Limited, DBS Bank India Limited and Axis Bank Limited (Collectively known as Consortium Bankers). The present consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:

- Interest rates on cash credit loans vary within the range of 7.10 % to 7.40% (31 March 2021: 9.50% to 10.50%).
- Interest rates on packing credit loans vary within the range of USD libor/ SOFR + 0.84% to 1.09% and Euribor + 0.20% to 0.95% (31 March 2021: USD libor + 0.75% and Euribor + 0.75% to 1.05%).
- Interest rates on working capital demand loans and overdraft facility vary within the range of 4.83% to 8.00% (31 March 2021: 7.15% to 8.55%).



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 24 BORROWINGS (CURRENT) (Contd...)

Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets

(₹ in Lakhs)

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for differences
Jun-20	Working Capital Lenders*	Inventory	27,686.90	18,409.81	9,277.09	Refer Note Below
Jun-20	Working Capital Lenders*	Trade Receivables	31,722.67	42,867.32	-11,144.65	
Jun-20	Working Capital Lenders*	Trade Payables	17,911.42	20,297.55	-2,386.13	
Sept-20	Working Capital Lenders*	Inventory	33,060.37	19,775.99	13,284.38	
Sept-20	Working Capital Lenders*	Trade Receivables	38,193.64	51,750.70	-13,557.06	
Sept-20	Working Capital Lenders*	Trade Payables	23,883.82	26,752.61	-2,868.79	
Dec-20	Working Capital Lenders*	Inventory	34,453.31	19,998.99	14,454.32	
Dec-20	Working Capital Lenders*	Trade Receivables	39,218.76	52,404.73	-13,185.97	
Dec-20	Working Capital Lenders*	Trade Payables	25,319.46	27,443.03	-2,123.57	
Mar-21	Working Capital Lenders*	Inventory	37,324.15	22,009.15	15,315.00	
Mar-21	Working Capital Lenders*	Trade Receivables	40,587.23	59,271.76	-18,684.53	
Mar-21	Working Capital Lenders*	Trade Payables	33,904.31	35,698.44	-1,794.13	
Jun-21	Working Capital Lenders*	Inventory	44,111.65	25,914.22	18,197.43	
Jun-21	Working Capital Lenders*	Trade Receivables	41,026.17	59,633.18	-18,607.01	
Jun-21	Working Capital Lenders*	Trade Payables	34,240.01	37,290.05	-3,050.04	
Sept-21	Working Capital Lenders*	Inventory	52,776.69	28,442.71	24,333.98	
Sept-21	Working Capital Lenders*	Trade Receivables	41,360.28	68,650.65	-27,290.37	
Sept-21	Working Capital Lenders*	Trade Payables	38,956.94	41,936.58	-2,979.64	
Dec-21	Working Capital Lenders*	Inventory	63,759.35	36,337.89	27,421.46	
Dec-21	Working Capital Lenders*	Trade Receivables	42,554.28	79,603.75	-37,049.47	
Dec-21	Working Capital Lenders*	Trade Payables	49,211.66	53,058.34	-3,846.68	

\* HDFC Bank, DBS, Axis Bank, SBI, ICICI bank are represented as working capital lenders

### Note - 'Reason for differences:

- The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Holding Company's location however, the same has not been considered as revenue from The purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends. Similarly, goods in transit for goods which have not reached respective Company locations are not considered however, considered as purchases as per accounting principles. This has lead to offsetting differences between Inventory, trade receivables and trade payable balances.
- The management of the Holding Company, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.
- There are other differences on account of regrouping and reclassification of trade receivable and trade payable balances including adjustment of advances received / given from / to customers / vendors. The Holding Company has filed provisional return with banks for the quarter ended March 31 2022, as per the due date and subsequently filed final return with respective banks on May 2, 2022 where amounts as per return matches with underlying books of accounts as at March 31, 2022.

## 25 TRADE PAYABLE

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Trade Payables	57,419.54	34,020.38
<b>TOTAL</b>	<b>57,419.54</b>	<b>34,020.38</b>

### Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with related parties, Refer Note 43, Also Refer Note 44 for Group's credit risk management processes.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 25 TRADE PAYABLE (Contd...)

### Trade payables Ageing Schedule

As at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	4,333.69	2,936.25	-	-	-	7,269.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,430.96	34,796.81	13,567.14	280.09	71.10	3.50	50,149.60
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>1,430.96</b>	<b>39,130.50</b>	<b>16,503.39</b>	<b>280.09</b>	<b>71.10</b>	<b>3.50</b>	<b>57,419.54</b>

As at 31 March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	1,967.17	1,209.06	-	-	-	3,176.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	886.18	18,475.47	11,150.71	250.30	34.28	47.21	30,844.15
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>886.18</b>	<b>20,442.64</b>	<b>12,359.77</b>	<b>250.30</b>	<b>34.28</b>	<b>47.21</b>	<b>34,020.38</b>

## 26 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Financial liabilities carried at amortised cost</b>		
Interest accrued but not due on borrowings	107.63	26.33
Employee Benefit Payable	3,339.06	2,533.59
Unclaimed Dividend	72.58	61.15
Payable for retention money	394.43	153.30
Payables for Capital Goods	3,337.62	3,074.92
Security Deposits Payable	391.00	342.80
Expenses Payable	90.15	2,943.60
<b>Financial liabilities carried at fair value through profit and loss</b>		
Mark to Market Derivative Liabilities	15.62	-
<b>TOTAL</b>	<b>7,748.09</b>	<b>9,135.69</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 27 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Advance from Customers	4,283.97	2,050.72
Statutory Dues Payable	3,357.06	213.65
Other Payable	-	1.73
<b>TOTAL</b>	<b>7,641.03</b>	<b>2,266.10</b>

## 28 PROVISIONS (CURRENT)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Provisions for Employee Benefits</b>		
Leave Encashment	16.04	11.46
<b>TOTAL</b>	<b>16.04</b>	<b>11.46</b>

## 29 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Current Tax Payable (Net)	1,948.23	1,953.32
<b>TOTAL</b>	<b>1,948.23</b>	<b>1,953.32</b>

## 30 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Revenue From Operations</b>		
i Manufactured Goods	2,40,566.38	1,55,769.00
ii Traded Goods	6,713.37	5,392.64
<b>Total Revenue From Operations</b>	<b>2,47,279.75</b>	<b>1,61,161.64</b>
<b>Other Operating Revenue</b>		
i Export benefits and other incentives	2,055.79	2,141.38
ii Scrap Sales	510.27	362.59
Total Other Operating Revenue	2,566.06	2,503.97
<b>TOTAL</b>	<b>2,49,845.81</b>	<b>1,63,665.61</b>

### 30.1 Disaggregated revenue information

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

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Type of goods</b>		
Pigments	70,272.83	54,373.22
Agro Chemicals	1,71,701.60	1,02,896.87
Others (Merchant Trading)	5,305.32	3,891.55
<b>Total revenue from contracts with customers</b>	<b>2,47,279.75</b>	<b>1,61,161.64</b>
<b>Geographical location of customer</b>		
India	35,092.57	33,807.67
Outside India	2,12,187.18	1,27,353.97
<b>Total revenue from contracts with customers</b>	<b>2,47,279.75</b>	<b>1,61,161.64</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	2,47,279.75	1,61,161.64
<b>Total revenue from contracts with customers</b>	<b>2,47,279.75</b>	<b>1,61,161.64</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 30 REVENUE FROM OPERATIONS (Contd...)

### 30.2 Contract assets and contract liabilities

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

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Trade Receivables (Refer Note 10)	54,284.68	41,069.34
Advance from customers (Refer Note 27)	4,283.97	2,050.72

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extent of deposit received from the customers. As at March 2022, ₹ 942.33 Lakhs (March 2021: ₹1,562.01 Lakhs) was recognised as provision for expected credit losses on trade receivables

Advance from customers includes short term advance received for sale of products.

### 30.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue as per contracted price	2,49,108.58	1,62,761.74
<b>Adjustments</b>		
Sales return	(731.62)	(903.29)
Trade and Cash Discount	(1,097.21)	(696.81)
<b>Revenue from contract with customer</b>	<b>2,47,279.75</b>	<b>1,61,161.64</b>

### 30.4 Performance obligation

Information about the Group's performance obligations are summarised below:

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.

### 30.5 Information about major customers

For Information about major customers Refer Note 42.

## 31 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Interest Income on :</b>		
- Bank Deposits	33.96	33.85
- Others	204.37	230.93
Dividend Income on investment in Redeemable preference shares	1,539.78	-
Net Gain on Foreign Currency transactions and translation	4,497.80	673.83
Liabilities No Longer Required Written Back	2,071.77	158.14
Net gain on Investment in Mutual Funds	298.08	179.44
Fair Value Gain on investment in RPS measured at FVTPL (refer note 50)	946.04	1,124.00
Miscellaneous Income	32.25	71.64
<b>TOTAL</b>	<b>9,624.05</b>	<b>2,471.83</b>

## 32 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Pigments	48,717.33	30,217.65
Agro Chemicals	1,11,039.33	64,729.97
<b>TOTAL</b>	<b>1,59,756.66</b>	<b>94,947.62</b>

### Note:-

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



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>(A) Inventories at the beginning of the year</b>		
(i) Finished Goods	9,150.02	10,599.73
(ii) Finished Goods in Transit	14,815.16	7,382.50
(iii) Stock in Trade	349.90	924.45
(iv) Work-in-Process (WIP)	2,206.81	1,319.76
<b>TOTAL (A)</b>	<b>26,521.89</b>	<b>20,226.44</b>
<b>(B) Inventories at the end of the year</b>		
(i) Finished Goods	11,001.33	9,150.02
(ii) Finished Goods in Transit	27,453.54	14,815.16
(iii) Stock in Trade	789.18	349.90
(iv) Work-in-Process (WIP)	3,256.17	2,206.81
<b>TOTAL (B)</b>	<b>42,500.22</b>	<b>26,521.89</b>
<b>TOTAL (A - B) Changes in Inventories</b>	<b>(15,978.33)</b>	<b>(6,295.45)</b>

## 34 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salary, Wages and Bonus	8,031.11	7,181.23
Directors Remuneration (Including Contribution to Provident Fund) (Refer Note 43)	2,610.73	1,881.75
Contribution to Provident Fund, Other Funds and Gratuity (Refer Note 40)	537.43	482.37
Staff Welfare Expenses	777.70	692.74
<b>TOTAL</b>	<b>11,956.97</b>	<b>10,238.09</b>

## 35 FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Interest expense on :</b>		
Term Loans	207.18	211.44
Cash Credit and Working Capital Demand Loan	202.23	154.00
Lease Liability (Refer Note 45)	46.58	55.57
Others	236.73	236.93
Exchange difference on borrowing costs	(159.05)	212.69
Loss on Derivative Instruments	104.15	-
Other borrowing Costs (includes bank charges, etc.)	303.16	248.71
<b>TOTAL</b>	<b>940.98</b>	<b>1,119.34</b>

## 36 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Consumption of Stores and Spares	1,821.71	1,382.19
Power and Fuel	19,388.58	10,044.86
Repairs and maintenance:		
- Buildings	266.27	115.57
- Plant and Machinery	1,952.28	1,347.83
Pollution Control Expenses	3,038.49	2,120.53
Labour Contract Charges	2,843.44	2,358.13
Rent (Refer Note 45)	126.31	66.17
Rates and Taxes	186.00	155.58
Insurance	671.69	906.83

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 36 OTHER EXPENSES (Contd...)

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Packing Material Consumption	6,061.45	4,138.85
Loss on Discarded Fixed Assets	74.22	80.96
Freight Expenses	10,848.77	3,377.70
Provision For Doubtful Debts and Advances	-	167.61
Stamp Duty Expenses (refer note 50)	-	2,500.00
Water charges	691.70	691.85
Expenditure towards Corporate Social Responsibility (Refer Note - i below)	363.47	476.06
Payments to the Auditors (Refer Note - ii below)	42.21	35.07
Miscellaneous Expenses	6,340.96	4,752.81
<b>TOTAL</b>	<b>54,717.55</b>	<b>34,718.60</b>

### i Details of Corporate Social Responsibility (CSR Expenditure)

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Amount Required to be spent during the year	363.47	359.24
Amount of opening unspent CSR expenses spent during the year pursuant to representation made by the holding Company with ROC & NCLT	-	116.82
Amount approved by the Board to be spent during the year	363.47	476.06
Amount Spent during the year	248.47	476.06
i Construction / Acquisition of an Assets	-	-
ii On Purposes other than (i) above	248.47	476.06
Amount yet to be spent	115.00	-
<b>Details related to spent / unspent obligations:</b>		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	248.47	476.06
iii) Unspent amount	115.00	-

### Details of Ongoing Projects :

In case of S. 135(6) (Ongoing Project)

Particulars	₹ in Lakhs
<b>Opening Balance</b>	-
With Company	-
In Separate CSR Unspent Account	-
Amount Required to be spent during the year	363.47
<b>Amount spent during the year</b>	
From Company's Bank account	248.47
From Separate CSR unspent account	-
<b>Closing Balance</b>	
With Company	-
In Separate CSR Unspent Account	115.00

### ii Payments to Auditors (Excluding Taxes)

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) as Auditors	38.25	32.40
(b) for Other Services	2.95	1.60
(c) for Reimbursement of Expenses	1.01	1.07
<b>TOTAL</b>	<b>42.21</b>	<b>35.07</b>

## 37 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Insurance Claim Received (Refer Note below)	(611.14)	(650.00)
<b>TOTAL</b>	<b>(611.14)</b>	<b>(650.00)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 37 EXCEPTIONAL ITEMS (Contd...)

During the year ended March 31, 2019, there was fire at one of the manufacturing unit of Holding Company at Dahej location for which an on account amount of ₹ 650 lakhs was received during the year ended March 31, 2021, pending final claim assessment and settlement. The Holding Company received final claim settlement order of ₹ 611.14 lakhs during the current year. The above amounts of claims received are disclosed as exceptional items in the respective year ends.

## 38 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Statement of Other Comprehensive Income</b>		
<b>A - Items that will not be reclassified to Profit or Loss</b>		
(i) Remeasurements gains on the Defined Benefit Plans (Refer Note 40)	57.57	27.20
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	(14.49)	(6.85)
<b>Total (A)</b>	<b>43.08</b>	<b>20.35</b>
<b>B - Items that will be reclassified to Profit or Loss</b>		
(i) Exchange differences in translating the Financial Statements of a foreign operation	6.68	(0.45)
(ii) Income Tax relating to items that will be reclassified to Profit or Loss	(1.68)	0.11
<b>Total (B)</b>	<b>5.00</b>	<b>(0.34)</b>
<b>Total (A+B)</b>	<b>48.08</b>	<b>20.01</b>

## 39 EARNINGS PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of Parent by the weighted average number of Equity shares outstanding during the year.

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

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit attributable to Equity holders of the Parent	30,442.08	18,647.61
Weighted Average number of Equity Shares outstanding (Nos.)	25,43,14,211	25,43,14,211
Basic and Diluted Earnings Per Share (₹)	11.97	7.33
Face value per equity share (₹)	1	1

## 40 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 or 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	31st March 2022	31st March 2021
<b>Opening Balance of Defined Benefit Obligation</b>	<b>1,764.43</b>	<b>1,561.34</b>
Service Cost		
a. Current Service Cost	183.74	156.91
Interest Cost	95.27	88.36
Benefits Paid	(57.72)	(46.86)
<i>Re-measurements</i>		
a. Actuarial Loss/(Gain) from changes in financial assumptions	(17.94)	20.97
b. Actuarial Loss/(Gain) from experience over the past period	(15.98)	(16.29)
<b>Closing Balance of Defined Benefit Obligation</b>	<b>1,951.80</b>	<b>1,764.43</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 40 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS (Contd...)

**Table 2: Reconciliation of Fair Value of Plan Assets**

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Opening Balance of Fair Value of Plan Assets at start of the period</b>	493.72	477.13
Contributions by Employer	1.84	5.73
Benefits Paid	(57.72)	(46.86)
Interest Income on Plan Assets	25.03	25.84
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)	23.65	31.88
<b>Closing Balance of Fair Value of Plan Assets at end of the period</b>	<b>486.52</b>	<b>493.72</b>
Actual Return on Plan Assets	48.68	57.72
Expected Employer Contributions for the coming period	100.00	100.00

**Table 3: Expenses recognised in the Profit and Loss Account**

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Service Cost		
Current Service Cost	183.74	156.91
Net Interest on net defined benefit liability/ (asset)	70.24	62.52
<b>Employer Expenses</b>	<b>253.98</b>	<b>219.43</b>

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

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Present Value of DBO	1,951.80	1,764.43
Fair Value of Plan Assets	486.52	493.72
<b>Liability/ (Asset) recognised in the Balance Sheet</b>	<b>1,465.28</b>	<b>1,270.71</b>
<b>Funded Status [Surplus/(Deficit)]</b>	<b>(1,465.28)</b>	<b>(1,270.71)</b>
<b>Experience Adjustment on Plan Liabilities: (Gain)/Loss</b>	<b>(15.98)</b>	<b>(16.29)</b>

**Table 5: Percentage Break-down of Total Plan Assets**

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	0%	19%
Of which, Traditional/ Non-Unit Linked	100%	81%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**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**

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Salary Growth Rate	10%	10%
Discount Rate	5.6% p.a.	5.4% p.a.
Withdrawal Rate	12% pa	12% pa
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	5.4% p.a.	5.7% p.a.
Expected weighted average remaining working life	3.5 years	4 years



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 40 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS (Contd...)

**Table 7: Movement in Other Comprehensive Income**

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
<b>Balance at start of period (Loss)/Gain</b>	(414.28)	(441.48)
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	17.94	(20.97)
c. Actuarial (Loss)/Gain from experience over the past period	15.98	16.29
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)	23.65	31.88
<b>Balance at end of period (Loss)/Gain</b>	<b>(356.71)</b>	<b>(414.28)</b>

**Table 8: Sensitivity Analysis**

Financial year ended March 31, 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 88.79 Lakhs	DBO decreases by ₹ 81.89 Lakhs
Discount Rate	DBO decreases by ₹ 84.40 Lakhs	DBO increases by ₹ 93.58 Lakhs
Withdrawal Rate	DBO decreases by ₹ 17.83 Lakhs	DBO increases by ₹ 19.58 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.33 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.98 Lakhs	
Financial period ended March 31, 2021	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 81.56 Lakhs	DBO decreases by ₹ 75.29 Lakhs
Discount Rate	DBO decreases by ₹ 77.74 Lakhs	DBO increases by ₹ 86.13 Lakhs
Withdrawal Rate	DBO decreases by ₹ 16.45 Lakhs	DBO increases by ₹ 18.08 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.70 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 1.41 Lakhs	

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

**Table 9: Movement in Surplus/ (Deficit)**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Surplus/ (Deficit) at start of year</b>	<b>(1,270.71)</b>	<b>(1,084.21)</b>
Movement during the year		
Current Service Cost	(183.74)	(156.91)
Net Interest on net DBO	(70.24)	(62.52)
Actuarial gain/ (loss)	57.57	27.20
Contributions	1.84	5.73
<b>Surplus/ (Deficit) at end of year</b>	<b>(1,465.28)</b>	<b>(1,270.71)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 40 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS (Contd...)

### (b) Defined Contribution Plans

The Group makes Provident Fund contributions to defined contribution plans for qualifying employees in India. 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 ₹ 313.46 lakhs (March 31, 2021 ₹ 277.16 lakhs) as expense in Note 34 under the head 'Contributions to Provident and Other Funds'.

## 41 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

### A Claims against the Group not acknowledged as liabilities (Excluding interest and penalty)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Disputed Income-Tax Liability*	1,193.84	1,131.44
Disputed Excise Duty Liability**	1,701.25	1,701.25
Disputed Service Tax Liability***	160.44	160.44
Disputed Sales Tax Liability	-	87.04
Disputed Liabilities towards labour and workers compensation	52.98	57.93
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities. The Group has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
In respect of Letter of Credit	1,097.65	418.48
<b>Capital Commitments</b>		
<b>B</b> Estimated amount of Contracts pending execution on Capital accounts and not provided for (net of advances)	18,838.76	2,083.54

The outflow of the above claims would be determinable only on completion of respective assessments.

\* Income tax demand comprise of demand from the Indian Income tax authorities for payment of additional tax of ₹ 1,193.84 (31 March 2021: 1,131.44), upon completion of their tax review for the assessment year 2003-04, 2009-10 to 2010-11 and 2013-14 to 2018-19. The tax demands are mainly on account of Transfer pricing Adjustments, 14 A disallowances, Bad Debt disallowances, Disallowance for loan written off etc. The matter is pending before various authorities.

\*\* Excise duty demand comprise demand from Central excise authorities for payment of additional tax of ₹ 1701.25 lakhs (31 March 2021: ₹ 1701.25 lakhs), upon completion of their tax review for the financial year 2003-04 to 2008-09 and 2011-12 to 2016-17. The tax demands are on account of denial of Cenvat credit on manufacturing, Short payment of duty on DTA clearance from EOU, Education cess on DTA Sales etc. The matter is pending before various authorities.

\*\*\* Service tax demand comprise demand from Service Tax Authorities on account of denial of Service tax credit ₹ 160.44 lakhs (31 March 2021: ₹ 160.44 lakhs), upon completion of their tax review for the financial year 2006-07 to 2017-18. The tax demands are on account of service tax on sales commission. The matter is pending before various authorities.

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of the Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

## 42. SEGMENT REPORTING

### A Analysis By Business Segment

Financial year ended on March 31, 2022 :

(₹ in Lakhs)

Particulars	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
<b>External Sales</b>	70,272.83	1,71,701.60	5,305.32	-	-	2,47,279.75
Other Operating Revenue	421.27	2,144.79	-	-	-	2,566.06
Inter-segment Sales	4,856.66	-	-	-	(4,856.66)	-
<b>Total Revenue</b>	<b>75,550.76</b>	<b>1,73,846.39</b>	<b>5,305.32</b>	<b>-</b>	<b>(4,856.66)</b>	<b>2,49,845.81</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 42. SEGMENT REPORTING (Contd...)

### A Analysis By Business Segment (Contd...)

(₹ in Lakhs)

Particulars	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
<b>Results</b>						
Segment Results	5,992.00	34,994.27	225.82	38.29	(40.51)	41,209.87
<b>Profit from Operation</b>						<b>41,209.87</b>
Finance Cost	-	-	-	-	-	(940.98)
<b>Profit before Exceptional Items</b>						<b>40,268.89</b>
Exceptional Items	-	611.14	-	-	-	611.14
<b>Profit Before Tax</b>						<b>40,880.03</b>
Income Tax Expenses	-	-	-	-	-	(8,745.17)
Deferred Tax (Expenses)/Income	-	-	-	-	-	(1,692.78)
<b>Profit After Tax</b>						<b>30,442.08</b>

₹ In Lakhs

Other information	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
Capital Addition	2,466.55	21,473.57	5.62	67.93	-	24,013.67
Depreciation	(2,249.33)	(3,765.27)	(3.80)	(349.14)	102.28	(6,265.26)
Non-Cash Items	(531.86)	(1,023.00)	6.69	(2,428.27)	-	(3,976.45)

(₹ in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
<b>Assets</b>						
Segment Assets	89,718.05	1,63,936.51	2,595.94	25,370.76	(1,860.17)	2,79,761.09
<b>Total assets</b>						<b>2,79,761.09</b>
<b>Liabilities</b>						
Segment Liabilities	39,223.99	85,031.39	1,589.89	2,676.69	(1,496.77)	1,27,025.19
Deferred Tax Liabilities						6,113.46
<b>Total Liabilities</b>	<b>(531.86)</b>	<b>(1,023.00)</b>	<b>6.69</b>	<b>(2,428.27)</b>	<b>-</b>	<b>1,33,138.65</b>

\*Others includes Merchant Trading Activity.

### Financial year ended on 31st March 2021:

(₹ in Lakhs)

Revenue	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
External Sales	54,373.22	1,02,896.87	3,891.55	-	-	1,61,161.64
Other Operating Revenue	894.76	1,609.21	-	-	-	2,503.97
Inter-segment Sales	2,570.22	-	-	-	(2,570.22)	-
<b>Total Revenue</b>	<b>57,838.20</b>	<b>1,04,506.08</b>	<b>3,891.55</b>	<b>-</b>	<b>(2,570.22)</b>	<b>1,63,665.61</b>
<b>Results</b>						
Segment Results	8,554.48	21,538.13	114.38	(4,693.27)	135.42	25,649.14
<b>Profit from Operation</b>						<b>25,649.14</b>
Finance Cost	-	-	-	-	-	(1,119.34)
<b>Profit before Exceptional Items</b>						<b>24,529.80</b>
Exceptional Items	-	-	-	-	-	650.00
<b>Profit Before Tax</b>						<b>25,179.80</b>
Income Tax Expenses	-	-	-	-	-	(6,671.31)
Deferred Tax (Expenses)/Income	-	-	-	-	-	139.12
<b>Profit After Tax</b>						<b>18,647.61</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 42. SEGMENT REPORTING (Contd...)

### A Analysis By Business Segment (Contd...)

(₹ in Lakhs)

Other information	Pigments	Agro Chemicals	Others <sup>#</sup>	Unallocable	Elimination	Total
Capital Addition	2,521.59	19,087.45	46.70	11.69	-	21,667.43
Depreciation	(2,303.71)	(2,404.27)	(3.56)	(356.54)	-	(5,068.08)
Non-Cash Items	552.93	1,587.36	0.29	1,138.83	-	3,279.41

(₹ in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Others <sup>#</sup>	Unallocable	Elimination	Total
<b>Assets</b>						
Segment Assets	60,879.21	1,11,846.58	1,170.44	23,986.62	(467.77)	1,97,415.08
<b>Total assets</b>						<b>1,97,415.08</b>
<b>Liabilities</b>						
Segment Liabilities	22,289.70	50,433.58	381.32	2,850.03	(247.19)	75,707.44
Deferred Tax Liabilities						4,404.52
<b>Total Liabilities</b>						<b>80,111.96</b>

<sup>#</sup>Others includes Merchant Trading Activity.

### B Analysis By Geographical Segment

#### (i) Segment Revenue

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

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Revenue:</b>		
Within India	35,602.84	34,170.26
Outside India	2,14,242.97	1,29,495.35
<b>TOTAL</b>	<b>2,49,845.81</b>	<b>1,63,665.61</b>

**Note** - Segment Assets, Liability and Capital Expenditure are analysed based on location of those assets. Capital Expenditure includes the total cost incurred to purchase Property, Plant and Equipment.

#### (ii) Segment Assets

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Within India	2,14,366.43	1,38,360.70
Outside India	42,199.34	27,323.93
<b>TOTAL</b>	<b>2,56,565.77</b>	<b>1,65,684.63</b>

**Note** - Segment Assets does not include Deferred Tax, Investments, Current and Non Current Tax Assets

#### (iii) Segment Liability

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Within India	1,03,086.16	56,663.09
Outside India	21,990.80	17,091.03
<b>TOTAL</b>	<b>1,25,076.96</b>	<b>73,754.12</b>

**Note** - Segment Liabilities does not includes Deferred Tax and Income Tax Liabilities

#### (iv) Segment Capital Expenditure

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Within India	23,867.34	21,620.73
Outside India	5.62	46.70
<b>TOTAL</b>	<b>23,872.96</b>	<b>21,667.43</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 42. SEGMENT REPORTING (Contd...)

### B Analysis By Geographical Segment (Contd...)

The Group has one customer based outside India who have accounted for more than 10% of the Group's revenue. Total amount of revenue from this customer is ₹ 34,810.62 Lakhs for the year ended March 31, 2022 and one customer with revenue of ₹ 21,316.25 Lakhs for the year ended March 31, 2021.

#### Notes

- (1) Based on "management approach" defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these Segments.
- (2) The Group is divided into two segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :
  - a) Agro Chemicals - The Group's operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals.
  - b) Pigment Business - The Group's operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue, Beta Blue and Titanium Dioxide.
- (3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the Segments and amounts allocated on a reasonable basis.

## 43 RELATED PARTIES DISCLOSURES :-

Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :

Meghmani Pigments  
Ashish Chemicals  
Tapsheel Enterprise  
Meghmani Finechem Limited  
Meghmani Dyes & Intermediates LLP  
Meghmani Industries Limited  
Meghmani Chemicals Limited  
Arjan Owners LLP (Formerly Panchratna Corporation)  
Meghmani LLP (Formerly Meghmani Unichem LLP)  
Matangi Industries LLP  
Delta Electricals  
Navratan Specialty Chemicals LLP  
Meghmani Exports Limitada S.A.De CV

Key Managerial Personnel :

Mr. Jayanti Patel (Executive Chairman)  
Mr. Ashish Soparkar (Managing Director)  
Mr. Natwarlal Patel (Managing Director)  
Mr. Ramesh Patel (Executive Director)  
Mr. Anand Patel (Executive Director)  
Mr. Ankit Patel (CEO)  
Mr. Darshan Patel (COO)  
Mr. Karana Patel (COO)  
Mr. G.S. Chahal (Chief Financial Officer)  
Mr. Kamlesh Mehta (Company Secretary) (up to 20.05.2021)  
Mr. Jayesh R Patel (Company Secretary) (w.e.f 21.05.2021)

Relatives of Key Managerial Personnel :

Ms. Deval Soparkar  
Ms. Taraben Patel  
Mr. Maulik Patel  
Mr. Kaushal Soparkar

Independent Directors :

Mr. Bhaskar Rao  
Mr. C S Liew  
Ms. Urvashi Shah  
Mr. Manubhai Patel  
Dr. (Prof) Ganapati Yadav

# Notes to the Consolidated Financial Statements for the year ended 31st March 2022

## 43 RELATED PARTIES DISCLOSURES :-

### Transactions with Related Parties in Ordinary Course of Business

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021
Purchase of Goods	19,657.46	9,497.49	-	-	-	-	19,657.46	9,497.49
Sale of Goods	1,176.74	657.70	-	-	-	-	1,176.74	657.70
Availing of Services	185.64	218.74	-	-	-	-	185.64	218.74
Sitting Fees	-	-	24.18	13.82	-	-	24.18	13.82
Remuneration	-	-	2,678.04	1,950.04	18.42	12.46	2,696.46	1,962.50
Sale of Services	-	-	-	-	-	-	-	46.31
Reimbursement of Expenses	88.06	60.45	-	-	-	-	88.06	60.45
Legal & Professional Fees	-	-	19.99	14.73	-	-	19.99	14.73
Sale of MEIS Licenses	232.41	352.49	-	-	-	-	232.41	352.49
Dividend on RPS	1,539.43	-	-	-	-	-	1,539.43	-
Dividend Paid	-	-	1,322.92	-	146.18	-	1,469.10	-

(₹ in Lakhs)

### Outstanding Balances with Related Parties

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Receivables	327.17	468.41	-	-	-	-	327.17	468.41
Payables	4,468.91	2,522.54	-	-	-	-	4,468.91	2,522.54
Remuneration Payable	-	-	2,126.16	1,518.64	1.35	0.71	2,127.51	1,519.35
Dividend Receivable on RPS	1,385.48	-	-	-	-	-	1,385.48	-

(₹ in Lakhs)

### Terms and conditions of transactions with Related Parties

- (1) The Group's transactions with related parties are at arm's length. Management believes that the Group's domestic and international transactions with related parties post March 31, 2022 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.
- (2) For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- (3) The future liability for Gratuity and Compensated Absence is provided on aggregated basis for all the employees of the Group taken as a whole, the amount pertaining to KMPs is not ascertainable separately and therefore not included above.

### Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2022 (March 31, 2021: ₹ Nil).

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## 43 RELATED PARTIES DISCLOSURES :- (Contd...)

### DISCLOSURE IN RESPECT OF TRANSACTION WITH RELATED PARTY DURING THE YEAR:

(₹ in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2022	For the year ended 31st March 2021
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Dividend on RPS	1,539.43	-
		<b>Total</b>	<b>1,539.43</b>	<b>-</b>
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	0.44
Meghmani Industries Limited -SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	11.74	23.31
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	266.01	169.15
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	1.10	23.27
Meghmani Unichem LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	9.23
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	3.35	-
Meghmani LLP-SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	28.34	-
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	4.43	13.04
Meghmani Exports Limitada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Sale of Goods	861.77	419.26
		<b>Total</b>	<b>1,176.74</b>	<b>657.70</b>
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	11.11
Meghmani Dyes & Intermediates Llp	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	4.70
Meghmani Industries Ltd.	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	16.68
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Sale of Services	-	13.82
		<b>Total</b>	<b>-</b>	<b>46.31</b>
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Sale of MEIS Licences	232.41	352.49
		<b>Total</b>	<b>232.41</b>	<b>352.49</b>
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	16,723.19	6,261.17
Meghmani Pigment*	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,256.39	1,810.89
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	9.21	5.55
Matangi Industries LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	3.88	-
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	3.10
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.76	-
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	10.93	-
Delta Electricals	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1.18	0.30
Meghmani LLP*	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,651.92	1,416.48
		<b>Total</b>	<b>19,657.46</b>	<b>9,497.49</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 43 RELATED PARTIES DISCLOSURES :- (Contd...)

DISCLOSURE IN RESPECT OF TRANSACTION WITH RELATED PARTY DURING THE YEAR: (Contd...)

(₹ in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2022	For the year ended 31st March 2021
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Availing of Services	-	3.93
Meghmani Exports Limiada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Availing of Services	-	20.02
Arjan Owners LLP (Formerly Panchratna Corporation)	Enterprises in which Directors & KMP have significant influence	Availing of Services	185.64	194.79
		<b>Total</b>	<b>185.64</b>	<b>218.74</b>
Bhaskar Rao	Independent Directors	Legal & Professional Fees	7.78	5.66
Liew Ching Seng	Independent Directors	Legal & Professional Fees	12.21	9.07
		<b>Total</b>	<b>19.99</b>	<b>14.73</b>
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	39.85	28.27
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	11.12	7.96
Meghmani LLP SEZ	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	22.15	15.00
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	11.57	6.56
Ashish Chemicals	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	3.37	2.66
		<b>Total</b>	<b>88.06</b>	<b>60.45</b>
Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	627.51	451.67
Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	626.58	451.35
Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	627.41	451.69
Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	417.42	300.77
Anand Patel	Key Managerial Personnel	Managerial Remuneration	311.82	226.27
G.S Chahal	Key Managerial Personnel	Salary	47.52	43.14
Kamlesh Mehta	Key Managerial Personnel	Salary	3.35	25.15
Jayesh R Patel	Key Managerial Personnel	Salary	16.43	-
		<b>Total</b>	<b>2,678.04</b>	<b>1,950.04</b>
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	18.42	12.46
		<b>Total</b>	<b>18.42</b>	<b>12.46</b>
Ganapati Dadasaheb Yadav	Independent Directors	Sitting Fees	5.48	3.05
Ms. Urvashi Shah	Independent Directors	Sitting Fees	6.60	4.15
Manubhai K Patel	Independent Directors	Sitting Fees	6.60	4.15
Bhaskar Rao	Independent Directors	Sitting Fees	2.75	1.50
Liew Ching Seng	Independent Directors	Sitting Fees	2.75	0.97
		<b>Total</b>	<b>24.18</b>	<b>13.82</b>
Jayanti Patel	Key Managerial Personnel	Dividend	252.34	-
Ashish Soparkar	Key Managerial Personnel	Dividend	357.57	-
Natwarlal Patel	Key Managerial Personnel	Dividend	290.36	-
Ramesh Patel	Key Managerial Personnel	Dividend	222.40	-
Anand Patel	Key Managerial Personnel	Dividend	110.50	-
Karana Patel	Key Managerial Personnel	Dividend	27.59	-
Ankit Patel	Key Managerial Personnel	Dividend	46.11	-
Darshan Patel	Key Managerial Personnel	Dividend	16.05	-
		<b>Total</b>	<b>1,322.92</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 43 RELATED PARTIES DISCLOSURES :- (Contd...)

### DISCLOSURE IN RESPECT OF TRANSACTION WITH RELATED PARTY DURING THE YEAR: (Contd...)

(₹ in Lakhs)

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2022	For the year ended 31st March 2021
Deval Soparkar	Relatives of Key Managerial Personnel	Dividend	5.75	-
Maulik Patel	Relatives of Key Managerial Personnel	Dividend	17.78	-
Kaushal Soparkar	Relatives of Key Managerial Personnel	Dividend	19.61	-
Taraben Patel	Relatives of Key Managerial Personnel	Dividend	103.04	-
		<b>Total</b>	<b>146.18</b>	<b>-</b>
<b>Total</b>			<b>27,089.47</b>	<b>12,824.23</b>

\* The purchases made from said parties are knocked off against the revenue from such products as per the requirements of IND AS 115

### Outstanding Balance

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
<b>Payable</b>		
Arjan Owners LLP	14.16	-
Ashish Chemicals	-	2.75
Delta Electricals	-	0.30
Meghmani Finechem Ltd.	3,858.06	1,640.78
Meghmani LLP	389.23	488.76
Meghmani Pigments	207.46	389.95
<b>Total</b>	<b>4,468.91</b>	<b>2,522.54</b>
<b>Receivables</b>		
Meghmani Chemicals Limited	-	21.78
Meghmani Dyes & Intermediate LLP	27.59	62.49
Meghmani Finechem Ltd.	-	39.49
Meghmani Industries Ltd.	-	23.31
Meghmani Industries Ltd.	-	0.44
Meghmani LLP	-	2.95
Meghmani LLP-SEZ	7.43	-
Meghmani Pigments	-	23.27
Navratan Speciality Chemical LLP	3.04	7.81
Meghmani Exports Limitada S.A.De CV	289.11	286.87
<b>Total</b>	<b>327.17</b>	<b>468.41</b>
<b>Dividend Receivable on RPS</b>		
Meghmani Finechem Ltd.	1,385.48	-
<b>Total</b>	<b>1,385.48</b>	<b>-</b>
<b>Remuneration Payable</b>		
Jayanti Patel	529.25	377.75
Ashish Soparkar	529.25	377.75
Natwarlal Patel	529.25	377.75
Ramesh Patel	319.25	227.76
Anand Patel	214.25	152.76
G.S Chahal	3.34	3.14
K D Mehta	-	1.73
Deval Soparkar	1.35	0.71
Jayesh R Patel	1.57	-
<b>Total</b>	<b>2,127.51</b>	<b>1,519.35</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 44 - Financial instruments – Fair Value Hierarchy

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 March 31, 2022 is as follows:

(₹ in Lakhs)

31st March 2022	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial assets</b>				
Non-Current Investments (Refer Note 4)	21,091.99	57.18	0.03	21,149.20
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,304.89	1,304.89
Trade Receivables (Refer Note 10)	-	-	54,284.68	54,284.68
Cash and Cash Equivalents (Refer Note 11)	-	-	1,048.99	1,048.99
Bank Balances (Other than above) (Refer Note 12)	-	-	77.12	77.12
Loans (Refer Note 13)	-	-	47.90	47.90
Other Financial Asset (Refer Note 14)	-	-	13,971.42	13,971.42
<b>Total Financial Assets</b>	<b>21,091.99</b>	<b>57.18</b>	<b>70,735.03</b>	<b>91,884.20</b>
<b>Financial liabilities</b>				
Non-Current Borrowings (Refer Note 18)	-	-	20,878.62	20,878.62
Non Current Lease liabilities (Refer Note 19)	-	-	344.31	344.31
Non Current Financial Liabilities (Refer Note 20)	88.53	-	26.91	115.44
Current Borrowings (Refer Note 24)	-	-	28,571.98	28,571.98
Current Lease liabilities (Refer Note 19)	-	-	142.94	142.94
Trade Payables (Refer Note 25)	-	-	57,419.54	57,419.54
Other Financial Liabilities (Refer Note 26)	15.62	-	7,732.47	7,748.09
<b>Total Financial Liabilities</b>	<b>104.15</b>	<b>-</b>	<b>1,15,116.77</b>	<b>1,15,220.92</b>

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(₹ in Lakhs)

31st March 2021	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial assets</b>				
Non-Current Investments (Refer Note 4)	20,145.95	57.18	0.03	20,203.16
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,061.72	1,061.72
Current investments (Refer Note 9)	10,243.86	-	-	10,243.86
Trade Receivables (Refer Note 10)	-	-	41,069.34	41,069.34
Cash and Cash Equivalents (Refer Note 11)	-	-	2,071.60	2,071.60
Bank Balances (Other than above) (Refer Note 12)	-	-	77.16	77.16
Loans (Refer Note 13)	-	-	39.86	39.86
Other Financial Asset (Refer Note 14)	-	-	3,593.71	3,593.71
<b>Total Financial Assets</b>	<b>30,389.81</b>	<b>57.18</b>	<b>47,913.42</b>	<b>78,360.41</b>
<b>Financial liabilities</b>				
Non-Current Borrowings (Refer Note 18)	-	-	12,323.08	12,323.08
Non Current Lease liabilities (Refer Note 19)	-	-	487.25	487.25
Non Current Financial Liabilities (Refer Note 20)	-	-	179.89	179.89
Current Borrowings (Refer Note 24)	-	-	13,870.21	13,870.21
Current Lease liabilities (Refer Note 19)	-	-	110.74	110.74
Trade Payables (Refer Note 25)	-	-	34,020.38	34,020.38
Other Financial Liabilities (Refer Note 26)	-	-	9,135.69	9,135.69
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>70,127.24</b>	<b>70,127.24</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 44 - Financial instruments – Fair Value Hierarchy (Contd...)

### 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 Group 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 Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

#### Financial instrument measured at fair value

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy
	31st March 2022	31st March 2021	
Investment at FVTOCI (unquoted) (Refer Note 4)	57.18	57.18	Level 3
Investment at FVTPL (unquoted) (Refer Note 4)	21,091.99	20,145.95	Level 3
Investment at FVTPL (Quoted) (Refer Note 9)	-	10,243.86	Level 1
Mark to Market Derivative Liabilities on Interest rate swap and Cross Currency Swap Valued at FVTPL (Refer Note 20 and 26)	104.15	-	Level 2

(₹ in Lakhs)

#### 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.

#### 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 representing investment in short term liquid mutual funds.

Particulars	Fair value as at	
	31st March 2022	31st March 2021
Opening balance	10,243.86	-
Net change in fair value (unrealised)	(72.64)	72.64
Purchases	12,899.36	26,848.68
Sales	(23,070.58)	(16,677.46)
Closing balance	(0.00)	10,243.86

(₹ in Lakhs)

#### Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 2 of the fair value hierarchy is based on the Fair value as ascertained and provided by the bank.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTPL assets in unquoted RPS of Meghmani Finechem Limited	DCF Method	Weighted average cost of debt	31 March 2022: 8.00% 31 March 2021: 8.50%	1% (31 March 2021: 1%) increase (decrease) in the weighted average cost of debt would result in decrease (increase) in fair value by INR 1,847 lakhs (31 March 2021: INR 1,726 lakhs).

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 44 - Financial instruments – Fair Value Hierarchy (Contd...)

### Reconciliation of fair value measurement of unquoted OCRPS classified as FVTPL assets:

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening balance	20,145.95	19,021.95
Re-measurement recognised in profit and loss	946.04	1,124.00
Purchases	-	-
Sales	-	-
<b>Closing balance</b>	<b>21,091.99</b>	<b>20,145.95</b>

### Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI assets:

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening balance	57.18	57.18
Re-measurement recognised in profit and loss	-	-
Purchases	-	-
Sales	-	-
<b>Closing balance</b>	<b>57.18</b>	<b>57.18</b>

### 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 operations 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 44 - Financial instruments – Fair Value Hierarchy (Contd...)

### i. Credit Risk (Contd...)

#### 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 approval from the Board of Directors.

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:

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
Domestic	13,050.12	14,417.56
Other regions	41,234.56	26,651.78
<b>Total</b>	<b>54,284.68</b>	<b>41,069.34</b>

#### Age of Receivables

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
Neither due nor impaired	44,139.15	29,995.40
Past due 1–90 days	8,451.53	9,586.60
Past due 91–180 days	960.63	1,350.89
More than 180 days	733.37	136.45
<b>Total</b>	<b>54,284.68</b>	<b>41,069.34</b>

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

Management estimates that the amount of provision of ₹942.33 lakhs (31st March, 2021: ₹ 1,562.01 lakhs) is appropriate

### 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, FVTPL 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

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 44 - Financial instruments – Fair Value Hierarchy (Contd...)

### ii. Market Risk (Contd...)

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, 2022 and March 31, 2021 are as below:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

(₹ in Lakhs)

Particulars	31st March 2022 Total	USD Denominated exposure	Euro Denominated exposure	INR
<b>Financial Assets</b>				
Trade Receivables	54,284.68	36,454.35	4,780.21	13,050.12
<b>Total</b>	<b>54,284.68</b>	<b>36,454.35</b>	<b>4,780.21</b>	<b>13,050.12</b>
<b>Financial Liabilities</b>				
Long Term Borrowings	20,878.62	12,696.95	8,181.67	-
Non Current Lease liabilities	344.31			344.31
Other Non-Current Financial Liabilities	115.44	-	-	115.44
Short Term Borrowings	28,571.98	13,912.25	8,341.93	6,317.80
Current Lease liabilities	142.94			142.94
Trade Payables	57,419.54	13,980.46	98.02	43,341.06
Other Current Financial Liabilities	7,748.09	8.16	17.13	7,722.80
<b>Total</b>	<b>1,15,220.92</b>	<b>40,597.82</b>	<b>16,638.75</b>	<b>57,984.35</b>

(₹ in Lakhs)

Particulars	31st March 2021 INR	USD Denominated exposure	Euro Denominated exposure	INR
<b>Financial Assets</b>				
Trade Receivables	41,069.34	23,354.38	3,297.40	14,417.56
<b>Total</b>	<b>41,069.34</b>	<b>23,354.38</b>	<b>3,297.40</b>	<b>14,417.56</b>
<b>Financial Liabilities</b>				
Long Term Borrowings	12,323.08	-	12,323.08	-
Non Current Lease liabilities	487.25			487.25
Other Non-Current Financial Liabilities	179.89	-	-	179.89
Short Term Borrowings	13,870.21	1,370.81	11,986.15	513.25
Current Lease liabilities	110.74			110.74
Trade Payables	34,020.38	6,364.38	17.35	27,638.65
Other Current Financial Liabilities	9,135.69	-	26.34	9,109.35
<b>Total</b>	<b>70,127.24</b>	<b>7,735.19</b>	<b>24,352.92</b>	<b>38,039.13</b>

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro 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)

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2022</b>				
<b>5% movement</b>				
USD	(207.17)	207.17	(155.03)	155.03
EUR	(592.93)	592.93	(443.70)	443.70



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 44 - Financial instruments – Fair Value Hierarchy (Contd...)

### ii. Market Risk (Contd...)

(₹ in Lakhs)

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2021</b>				
<b>5% movement</b>				
USD	780.96	(780.96)	584.41	(584.41)
EUR	(1,052.78)	1,052.78	(787.81)	787.81

### 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 and Short term Debt Obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

### Exposure to Interest Rate Risk

Group's Interest Rate Risk arises from borrowings obligations. Borrowings issued exposes 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:

(₹ in Lakhs)

Variable rate instrument	31st March 2022	31st March 2021
Non current - Borrowings	20,878.62	12,323.08
Current - Borrowings	28,571.98	13,870.21
<b>Total</b>	<b>49,450.60</b>	<b>26,193.29</b>

### 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
<b>31st March 2022</b>				
Non current - Borrowings	(208.79)	208.79	(156.24)	156.24
Current - Borrowings	(285.72)	285.72	(213.81)	213.81
<b>Total</b>	<b>(494.51)</b>	<b>494.51</b>	<b>(370.05)</b>	<b>370.05</b>
<b>31st March 2021</b>				
Non current - Borrowings	(123.23)	123.23	(92.22)	92.22
Current - Borrowings	(138.70)	138.70	(103.79)	103.79
<b>Total</b>	<b>(261.93)</b>	<b>261.93</b>	<b>(196.01)</b>	<b>196.01</b>

### iii. 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 44 - Financial instruments – Fair Value Hierarchy (Contd...)

### iii. Liquidity Risk (Contd...)

(₹ in Lakhs)

31st March 2022	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
<b>Derivative Contracts (Refer Note 20 and 26)</b>						
AXIS Bank Limited	104.15	104.15	15.62	20.83	62.49	5.21
<b>Non-Derivative Financial Liabilities (Refer Note 18)</b>						
<b>Rupee Term Loans from Banks</b>						
AXIS Bank Limited	14,933.97	14,933.97	2,237.01	2,987.52	8,962.55	746.89
<b>Total</b>	<b>14,933.97</b>	<b>14,933.97</b>	<b>2,237.01</b>	<b>2,987.52</b>	<b>8,962.55</b>	<b>746.89</b>
<b>Foreign currency term loans from banks</b>						
SBI Bank Limited	8,032.53	8,032.53	2,294.59	2,298.73	3,439.21	-
AXIS Bank Limited	4,069.52	4,069.52	1,625.80	1,629.15	814.57	-
<b>Total</b>	<b>12,102.05</b>	<b>12,102.05</b>	<b>3,920.39</b>	<b>3,927.88</b>	<b>4,253.78</b>	<b>-</b>
Working Capital Loans from Banks (Refer Note 24)	22,414.58	22,414.58	22,414.58	-	-	-
Trade Payables (Refer Note 25)	57,419.54	57,419.54	57,419.54	-	-	-

(₹ in Lakhs)

31st March 2021	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
<b>Non-Derivative Financial Liabilities (Refer Note 18)</b>						
<b>Foreign Currency Term Loans from Banks</b>						
SBI Bank Limited	10,515.75	10,515.75	2,336.51	2,349.55	5,829.69	-
AXIS Bank Limited	5,799.35	5,799.35	1,655.52	1,665.64	2,478.19	-
<b>Total</b>	<b>16,315.10</b>	<b>16,315.10</b>	<b>3,992.03</b>	<b>4,015.19</b>	<b>8,307.88</b>	<b>-</b>
Working Capital Loans from Banks (Refer Note 24)	9,878.19	9,878.19	9,878.19	-	-	-
Trade Payables (Refer Note 25)	34020.38	34020.38	34020.38	-	-	-

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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 45 : Leases

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

The Group also has Depots with lease terms of 12 months or less. The Group 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

	(₹ in Lakhs)	
Particulars	31st March 2022	31st March 2021
Opening Balance	597.99	699.74
Additions during the year/Period	-	-
Finance costs incurred during the year	46.58	55.57
Payments of Lease Liabilities	157.32	157.32
<b>Closing Balance</b>	<b>487.25</b>	<b>597.99</b>

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

	(₹ in Lakhs)	
Particulars	31st March 2022	31st March 2021
Opening Balance	4,154.20	4,327.71
Addition on KCL Acquisition	7,095.00	-
Additions during the year	610.34	-
Depreciation charged during the year	(201.29)	(173.51)
<b>Closing Balance</b>	<b>11,658.25</b>	<b>4,154.20</b>

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

	(₹ in Lakhs)	
Particulars	31st March 2022	31st March 2021
Depreciation expense of right-of-use assets	201.29	173.51
Interest expense on lease liabilities	46.58	55.57
Expense relating to short-term leases (included in other expenses)	126.31	66.17
<b>Total Expenses</b>	<b>374.18</b>	<b>295.25</b>

#### (iv) Amounts recognised in statement of cash flows

	₹ In Lakhs	
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Total Cash outflow for Leases	157.32	157.32

#### (v) Maturity analysis of lease liabilities

	(₹ in Lakhs)	
Particulars	31st March 2022	31st March 2021
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	178.95	157.32
One to five years	376.91	555.86
More than five years	-	-
<b>Total undiscounted Lease Liability</b>	<b>555.86</b>	<b>713.18</b>

#### Balances of Lease Liabilities

	(₹ in Lakhs)	
Particulars	31st March 2022	31st March 2021
Non Current Lease Liability	344.31	487.25
Current Lease Liability	142.94	110.74
<b>Total Lease Liability</b>	<b>487.25</b>	<b>597.99</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 46 Ratios

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance above 25% year on year
Current Ratio	Current Assets	Current Liabilities	1.39	1.62	-14.34%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payments	Shareholder's Equity	0.34	0.23	49.12%	There is increase in Debt equity ratio on account of increase in long term debt taken for funding new capacity expansion projects and increase in short term borrowings for working capital requirements.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	2.91	4.75	-38.70%	There is a decrease in Debt service coverage ratio on account of increase in Working capital demand loans and increase in principal repayments on account of new loans obtained during the year
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.23	0.17	33.57%	There is a improvement in return on equity ratio on account of increase in Net profit for the year
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	4.92	4.82	2.17%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	5.24	3.75	39.56%	There is a Improvement in Trade receivable turnover ratio on account of better realisation and higher turnover.
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	3.93	3.59	9.37%	No major variance
Net Capital Turnover Ratio	Revenue from Operation	Working capital = Current assets – Current liabilities	6.21	4.30	44.67%	There is increase in Net capital turnover ratio on account of higher turnover and better working capital management.
Net Profit Ratio	Net Profit	Revenue from Operation	0.12	0.11	6.94%	No major variance
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	0.20	0.16	21.22%	No major variance
Return on Investment	Interest (Finance Income)	Average of Investment in Securities & Bank Deposit	9.51%	1.37%	591.98%	There is improvement in the return on investment on account of dividend income on RPS. Pursuant to the Scheme of arrangement investment in OCRPS was converted in Investment in RPS where on account of change in terms dividend payment was made cumulative and accordingly accrued for the year. Refer note 50 for details.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 47 (A) Information about Subsidiaries

The Group's Subsidiaries at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

(₹ in Lakhs)

Name of Entity	Place of business / Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interest		Principal Activities
		31st March 2022	31st March 2021	31st March 2022	31st March 2021	
Meghmani Organics USA INC	USA	100.00%	100.00%	0.00%	0.00%	Trading
PT Meghmani Organics	Indonesia	100.00%	100.00%	0.00%	0.00%	Trading of Pigment & Chemicals
Meghmani Overseas FZE	Dubai	100.00%	100.00%	0.00%	0.00%	Trading of Agro Chemicals
Meghmani Synthesis Limited	India	100.00%	100.00%	0.00%	0.00%	Manufacturing of Chemicals
Kilburn Chemicals Limited	India	100.00%	-	0.00%	-	Manufacturing of Pigment

## 47 (B) - ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
<b>A Parent</b>								
<b>Meghmani Organics Limited</b> (Formerly known as Meghmani Organochem Limited)								
31st March 2022	87.92%	1,28,909.83	101.17%	30,797.22	89.60%	43.08	101.15%	30,840.30
31st March 2021	99.20%	1,16,368.41	99.22%	18,501.43	101.70%	20.35	99.22%	18,521.78
<b>B Subsidiaries</b>								
<b>(i) Indian</b>								
<b>Kilburn Chemicals Limited</b>								
31st March 2022	10.56%	15,484.80	-1.44%	(439.07)	0.00%	-	-1.44%	(439.07)
31st March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Meghmani Synthesis Limited</b>								
31st March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>(ii) Foreign</b>								
<b>Meghmani Organics USA INC</b>								
31st March 2022	1.52%	2,226.96	0.28%	85.03	10.32%	4.96	0.30%	89.99
31st March 2021	0.80%	932.85	0.83%	154.95	-0.75%	(0.15)	0.83%	154.80
<b>PT Meghmani Organics Indonesia</b>								
31st March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Meghmani Overseas FZE Dubai</b>								
31st March 2022	0.00%	0.85	0.00%	(1.10)	0.08%	0.04	0.00%	(1.06)
31st March 2021	0.00%	1.86	-0.05%	(8.77)	-0.95%	(0.19)	-0.05%	(8.96)
<b>Total</b>								
31st March 2022	100.00%	1,46,622.44	100.00%	30,442.08	100.00%	48.08	100.00%	30,490.16
31st March 2021	100.00%	1,17,303.12	100.00%	18,647.61	100.00%	20.01	100.00%	18,667.62



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 48 - Capital Management

Capital includes equity attributable to the equity 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 capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2022 and March 31, 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 and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

Particulars	(₹ in Lakhs)	
	31st March 2022	31st March 2021
Total Interest bearing Liabilities	49,450.60	26,193.29
Less : Cash and Cash Equivalent	1,048.99	2,071.60
<b>Adjusted Net Debt</b>	<b>48,401.61</b>	<b>24,121.69</b>
Total Equity	1,46,622.44	1,17,303.12
<b>Adjusted Equity</b>	<b>1,46,622.44</b>	<b>1,17,303.12</b>
Adjusted net debt to total equity ratio	0.33	0.21

**49** 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 Group 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 Group 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 statements 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.

## 50 - Composite Scheme of Arrangement:

Ahmedabad Bench of the NCLT, through its order dated 3 May 2021 (the "Order"), approved the Scheme of Arrangement ("the Scheme") to demerge the Agrochemicals and Pigments Division of Meghmani Organics Limited (MOL) along with its investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") of Meghmani Finechem Limited (MFL) into the Holding Company. The Holding Company had filed certified true copy of the Order with the Ministry of Corporate Affairs (the "MCA") on 8th May 2021. The Holding Company had given effect to the Scheme for the year ended March 31, 2021 considering it to be an adjusting event and had 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 were met.

### Listing on exchanges:

Pursuant to the Scheme, the Holding Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The Holding Company received final approval from SEBI on July 30, 2021 pursuant to which it was listed with NSE and BSE on August 18, 2021.

### Change in name of the company:

Pursuant to the Scheme and on receipt of certificate of incorporation for change of name from the registrar of companies, Ahmedabad, Gujarat, the name of the Holding Company has been changed from "Meghmani Organochem Limited" to "Meghmani Organics Limited" with effect from August 3, 2021.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

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## 50 - Composite Scheme of Arrangement: (Contd...)

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

As per the Scheme, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by Meghmani Finechem Limited (MFL) was transferred to the Holding Company. The investment in OCRPS of MFL was transferred from MOL at cost of ₹ 10,986.54. Subsequent to transfer of OCRPS, the Holding Company had fair valued investment in OCRPS as per the requirements of Ind AS 109 and had opted for recognising the fair value difference through Statement of Profit and Loss. Fair value gain of ₹ 1,124.00 lakhs was accounted in other income for the year ending March 31, 2021. Further, as per the Scheme, OCRPS issued by MFL were converted into Redeemable Preference Share (RPS) with same terms and conditions and tenure. The Holding Company has fair valued the conversion of OCRPS to RPS as per the requirements of Ind AS 109 and the fair value gain of ₹ 946.04 lakhs has been accounted in other income for the year ended March 31, 2022.

### Stamp duty on immovable property

As per the Article 20(d) of Schedule I to the Gujarat Stamp Act, 1958, the Holding Company had provided for ₹ 2,500 lakhs as stamp duty on the immovable property that will be transferred from erstwhile MOL to the Holding Company and shares to be issued to the shareholders of the Holding Company pursuant to the Scheme. Further, pursuant to the final order of stamp duty payable, excess provision of stamp duty amounting to ₹ 1,486.55 lakhs has been reversed and accounted as other income during the current year.

## 51 - Acquisition of Killburn Chemicals Limited

On 16th December 2021, the Holding Company acquired control over Killburn Chemicals Limited ("KCL"). KCL was admitted under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. The National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated December 16, 2021 approved the resolution plan of the Holding Company for acquiring 100% stake in KCL for total consideration of ₹ 13,176.00 Lakhs. Pursuant to the approved resolution plan, KCL has become a wholly-owned subsidiary of the Holding Company.

KCL is in the business of manufacturing of titanium dioxide ("TiO<sub>2</sub>") and currently has production capacity of 16,500 MTPA located at Dahej, Gujarat, which is currently non-operational. The acquisition will fast track the Group's foray into new pigment-Titanium Dioxide.

The consideration paid for acquisition of KCL by the Holding Company under the approved resolution plan includes cash of ₹ 1,215 lakhs through infusion of equity and ₹ 11,961 lakhs through subscribing unsecured, non-convertible and non-cumulative perpetual securities at coupon rate of 8%, payable at option of issuer as per the terms of agreement dated December 23, 2021.

The acquisition has been accounted under the acquisition method as prescribed by Ind AS 103 "Business Combinations".

Accordingly, the accounting treatment has been given as under: -

- The assets and liabilities of KCL as at December 16, 2021 have been incorporated at their fair values in the financial statements of the Group.
- The excess of the purchase consideration over fair value of assets and liabilities acquired is recorded as capital reserve.

The fair value of the identifiable assets and liabilities of KCL as at the date of the acquisition were as follows:

Particulars	(₹ in Lakhs) Fair value as on acquisition date
<b>Non - current Assets</b>	
Property, Plant and Equipment	17,765.88
Other Non current Assets	66.99
<b>Total Non - current Assets</b>	<b>17,832.87</b>
<b>Current Assets</b>	
Inventories	412.03
Cash and Cash Equivalents	16.60
Other Financial Assets	13,210.93
Other Current Assets	947.90
<b>Total Current Assets</b>	<b>14,587.46</b>
<b>Total Assets [A]</b>	<b>32,420.33</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

## 51 - Acquisition of Killburn Chemicals Limited (Contd...)

(₹ in Lakhs)

Particulars	Fair value as on acquisition date
<b>Non - current Liabilities</b>	
Other Non - current Liabilities	591.89
<b>Total Non - current Liabilities</b>	<b>591.89</b>
<b>Current Liabilities</b>	
Borrowings	12,936.49
Trade Payables	
Total outstanding dues of micro and small enterprise	-
Total outstanding dues of creditors other than micro and small enterprise	0.01
Other Financial Liabilities	271.28
Other Current Liabilities	3,055.79
Provisions	6.00
<b>Total Current Liabilities</b>	<b>16,269.57</b>
<b>Total Liabilities [B]</b>	<b>16,861.46</b>
<b>Fair Value of identifiable net Assets [A-B]</b>	<b>15,558.87</b>
<b>Consideration Paid</b>	<b>13,176.00</b>
<b>Capital Reserve on Acquisition #</b>	<b>2,382.87</b>

# The capital reserve generated on acquisition of KCL is majorly on account of KCL plant being non-operational since September 2018. As per the resolution plan submitted by the Holding Company and approved by NCLT, the Holding Company will be further investing appx. ₹ 7,500 lakhs to make the KCL plant operational and further investment will be made to scale up the operations and enhance the product portfolio and production capacity. Accordingly, the excess of the purchase consideration over fair value of assets and liabilities acquired is recorded as capital reserve.

Since the date of acquisition, KCL has contributed ₹ Nil and ₹ 439.07 lakhs to the Group revenue and loss before taxation respectively for the year ended 31 March 2022. Had these business combination been effected at April 1, 2021, the revenue of the Group from continuing operations would have been higher by Nil and profit from continuing operations would have been lower by ₹ 2315.46 (excluding exceptional item and tax) Lakhs on a pre-consolidation adjustments basis.

## 52 - 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 financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 2nd May 2022 there were no material subsequent events to be recognized or reported that are not already disclosed

**53** Previous period figures have been regrouped / restated to give effect of scheme of arrangement wherever necessary to make them comparable with those of the current year.

### AS PER OUR REPORT OF EVEN DATE

#### FOR S R B C & CO LLP

Chartered Accountants  
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**  
Partner  
Membership No : 101974

Place : Ahmedabad  
Date : 2nd May 2022

### For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

**Ankit N Patel**  
Chief Executive Officer

**G S Chahal**  
Chief Financial Officer

**Jayesh Patel**  
Company Secretary

**J.M.Patel**-Executive Chairman  
(DIN - 00027224)

**A.N.Soparkar** - Managing Director  
(DIN - 00027480)

**N.M.Patel** - Managing Director  
(DIN - 00027540)

Place : Ahmedabad  
Date : 2nd May 2022

# Notes to the Consolidated Financial Statements for the year ended 31st March 2022

## Statement of Saliient features of Financial Statement of Subsidiaries / Associates / Joint ventures as per Section 129(3) of the Companies Act 2013

### Details of Subsidiary Companies as on 31.03.2022

#### Part - A Subsidiaries

Name of Subsidiary	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	PBT	Provision for Tax	PAT	Proposed Dividend
Kilburn Chemicals Limited	1,215.00	15,786.47	20,785.51	3,784.03	-	0.05	(541.35)	-	(541.35)	-
Meghmani USA INC	139.70	804.61	2,590.09	1,645.78	-	5,305.79	219.26	48.55	170.71	-
P T Meghmani Indonesia	123.30	(123.30)	-	-	-	-	-	-	-	-
Meghmani Overseas FZE	4.56	(3.71)	0.85	-	-	-	(1.11)	(0.01)	(1.10)	-
Meghmani Synthesis Limited	5.00	-	5.00	-	-	-	-	-	-	-

₹ In Lakhs

# Notice

NOTICE is hereby given that Third Annual General Meeting of the Company will be held on **Monday, June 27, 2022** at **12:00** noon through Video Conferencing(VC)/ Other Audio-Visual Means(OAVM) to transact the following business:-

## ORDINARY BUSINESS:

### Adoption of Financial Statements

1. To receive, consider, and adopt:
  - (i) the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2022 together with report of the Board of Directors & Auditors thereon and
  - (ii) the Audited Consolidated Financial Statement of the Company for the financial year ended on March 31, 2022 together with report of Auditors thereon.

### Declaration of Dividend

2. To declare a final Dividend of ₹ 1.40 (One Rupee Forty Paise) per equity share of ₹ 1/- each for the financial year FY 2021-22.

### Appointment of a Director retiring by rotation

3. To appoint a director in place of Mr. Natwarlal Patel (DIN:00027540), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Ramesh Patel (DIN:00027637), who retires by rotation and being eligible offers himself for re-appointment.

## SPECIAL BUSINESS:

### 5. Ratification of remuneration payable to Cost Auditors of the Company for the financial year 2022-23

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

**“RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 2,50,000/- (₹ Two Lakhs Fifty Thousand only) per annum plus tax as applicable and reimbursement of out of pocket expenses to be paid to M/s. Kiran J. Mehta & Co. Cost Accountants Ahmedabad (Firm's Registration No. 000025), being Cost Auditors appointed by the Board of Directors to conduct audit of the cost records of the Company for the Financial Year 2022-23 be and is hereby ratified and approved.”

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

### 6. Ratification of Material Related Party Transaction for the financial year FY 2021-22

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions if any of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, including any amendment, modification, variation or re-enactment thereof, Consent of the Members of the Company be and is hereby given to ratify the material related party transaction(s) aggregating to ₹ 184.95 Crores (detailed bifurcation is provided in the explanatory statement) with Meghmani Finechem Limited, being a Related Party in which KMP and their relatives have significant influence, during the financial year ended on March 31, 2022 as also accord further approval to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with Meghmani Finechem Limited being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier contract/arrangements/ transactions or otherwise, with respect to Sale and Purchase of Goods and/or other transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period notwithstanding the fact that all these transactions during the financial year FY 2021-22, in aggregate have exceeded 10% of the annual consolidated turnover of the Company for the relevant year.”

**“RESOLVED FURTHER THAT** the Members of the Company do hereby ratify, approve and as also accord further approval to the Board to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to this resolution.”



## 7. Omnibus Approval of Material Related Party Transaction for the financial year 2022-23

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions if any of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, including any amendment, modification, variation or re-enactment thereof, Consent of the Members of the Company be and is hereby given for omnibus approval for transactions to be entered into upto ₹ 450 Crores apart from dividend on RPS amounting to ₹ 15.39 Crores, with Meghmani Finechem Limited, being a Related Party in which KMP and their relatives have significant influence, during the financial year from April 1, 2022 till March 31, 2023 as also accord further approval to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/ or carrying out and/ or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with Meghmani Finechem Limited being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier contract/arrangements/ transactions or otherwise, with respect to Sale and Purchase of Goods and/ or other transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period notwithstanding the fact that all these transactions during the financial year 2022-23, in aggregate have exceeded 10% of the annual consolidated turnover of the Company for the relevant year.”

**“RESOLVED FURTHER THAT** the Members of the Company do hereby ratify, approve and also accord further approval to the Board to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/ or director(s) and/ or officer(s) of the Company, to give effect to this resolution.”

**Registered Office:**  
Meghmani House,  
B/H Safal Profitaire,  
Prahlanadnagar,  
Ahmedabad 380 015

By order of the Board  
for **Meghmani Organics Limited**  
(formerly known as  
Meghmani Organochem Limited)

**Jayesh Patel**

Place: Ahmedabad  
Date: May 2, 2022

Company Secretary  
ICSI Mem. No:A14898

## NOTES:

### Convening of AGM through video conferencing (“VC”) or any other audio-visual means (“OAVM”)

1. In view of reappearance (resurgence) of the COVID-19 pandemic, social distancing is still a norm to be followed; Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued latest Circular No. 2/2022 dated May 05, 2022 read with earlier circulars issued in this regard, permitted Companies to hold their Annual General Meeting (AGM) through VC/ OAVM by prescribing the procedures and manner of conducting the Annual General Meeting (AGM) through VC/ OAVM therein. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the 3rd Annual General Meeting of the company is being conducted through VC/OVAM and the AGM shall be deemed to be convened and held at the registered office of the Company for the purpose of meeting statutory requirement under the Companies Act, 2013 or any other statute. Hence, members can attend and participate in the AGM through VC/OAVM only. The Members are requested not to visit Corporate Office / Registered Office to attend the AGM. Shareholders are requested to refer Note No.... for detailed procedure for e-Voting and participation in the AGM through VC/OAVM. The Recording/transcript of the AGM will be made available on the website of the Company [www.meghmani.com](http://www.meghmani.com) in the Investors Section, as soon as possible after the Meeting is over.

### Attendance Slip and Proxy Form

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

### Quorum

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Physical attendance of Members is not required at the AGM.

### Explanatory Statement and details of Directors seeking appointment/re-appointment

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
5. Details in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

### Dispatch of Notice and Annual Report through electronic means

7. In compliance with the aforesaid MCA circulars and latest SEBI circular dated May 13, 2022, Notice of the AGM along with the Annual Report FY 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Printed copy of the Annual report (Including Notice) is not being sent to the Members in view of MCA Circular. Members may note that the Notice convening the AGM and Annual Report FYFY 2021-22 have been uploaded on the website of the Company at [www.meghmani.com](http://www.meghmani.com) and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also available on website of CSDL at <https://www.evoting.cdsl.com>.
8. Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [helpdesk@meghmani.com](mailto:helpdesk@meghmani.com) or to [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in). Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.

### Record date as to dividend and voting

9. The Company has fixed Monday, June 20, 2022 as "Record Date" to determine the entitlement of the shareholders to receive dividend for the year FY 2021-22 and voting rights for the purpose of 3rd Annual General Meeting.
10. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Record date i.e. June 20, 2022.

### Scrutinizer for voting

11. The Company has appointed **Mr. Mukesh Khandwala – Chartered Accountants** to act as the Scrutinizer for

conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

### Voting Results

12. The voting results shall be declared within two working days from the conclusion time of the Meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at <http://www.meghmani.com/> immediately after the result is declared by the Chairman or any other person authorised by him in this regard and will simultaneously be sent to BSE Limited and National Stock Exchange of India Limited, where equity shares of the Company are listed.

### Dividend

13. The Board of Directors at its meeting held on May 2, 2022, has recommended a final dividend of ₹ 1.40 per equity share of the face value of ₹ 1/- each. The final dividend, if declared at the ensuing Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on June 20, 2022 ("cut-off date"). The dividend will be payable on or after July 4, 2022.
14. SEBI has made it mandatory for all companies to use the bank account details furnished by Depositories and maintained by the Registrar and Share Transfer Agent for payment of Dividend to the Members electronically. In the absence of details for electronic payment or in cases where electronic payments have failed/ rejected by the Bank, the Company would issue demand drafts/dividend warrants/cheques and print the bank account details, as available, on instrument of payment of dividend.
15. Members are requested to update the bank details including 11-digit IFSC code and 9 digit MICR code with the Depository Participants (DP) to receive the amount of dividend quickly. In case of shares held in physical form, the said details may be communicated to the RTA or Company, by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card.

### Taxation of Dividend

16. *The dividend after approval in the ensuing AGM will be paid to those shareholders who held shares in their demat account as on June 20, 2022 (Record date for the purpose of dividend entitlement). Members attention is drawn that many times, Brokers are not transferring the shares purchased by their client (shareholders) and parking their shares in pool account and these shares are falling under category "clearing member". It is, therefore, shareholders are advised to ask their brokers to transfer their shares purchased into demat account of the shareholder in order to*

*receive amount of dividend and credit of Tax Deducted at Source (TDS), if any into the account of members. If the shares are parked in their pool accounts as clearing member by the brokers of shareholders, the dividend will be paid to them.*

17. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the Shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the amount of dividend payable does not exceed ₹ 5,000/-. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend payable. The shareholders are requested to update their PAN with the Company / Linkintime. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). However, no tax or reduced tax shall be deducted on the dividend payable by the company in cases the shareholder provides Form 15G (applicable to any Resident Individual other than a Company or a Firm) / Form 15H (applicable to an Resident Individuals above the age of 60 years) / Form 10F (applicable to Non- Residents), provided that the eligibility conditions are being met. Needless to say, Permanent Account Number (PAN) is mandatory for category of Forms. To avail this benefit, shareholders need to provide respective declaration/ document (form 15g /15h/ 10f ) at the website of our RTA( Linkintime. (India) Pvt. Ltd. or at below given link, on or before June 20, 2022.

<https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading respective declaration/documents as mentioned hereinabove.

18. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form

are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.

#### Unclaimed dividends

20. Members are requested to refer the details of unclaimed dividend of the Company as set out in the Report on Corporate Governance on page no ..... and to approach our RTA i.e. Linkintime to claim their dividend.
21. Members wishing to claim unclaimed dividends are requested to correspond with Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.
22. Members are requested to note that dividends not encashed or claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, will be, transferred to the Investor Education and Protection Fund (IEPF) as per Section 125 of the Companies Act, 2013.

#### Unclaimed Shares

23. Members may refer Para 12.4 of Corporate Governance Report as to unclaimed shares and approach RTA i.e. Linkintime to claim their shares by forwarding a request letter duly signed by members furnishing complete postal address along with PIN Code, a copy of PAN Card and proof of Address duly signed by members(self-attestation), for the delivery of the Equity Shares in the Demat form, a copy of Demat Account – Client Master Report duly certified by the Depository Participant and a recent demat account statement, to enable the Company to initiate the process for transferring the said Equity Shares.

#### Procedure for Inspection of Documents:

24. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode by sending an e-mail to [helpdesk@meghmani.com](mailto:helpdesk@meghmani.com).

#### Queries

25. Members can express their views and submit questions/ queries in advance with regard to the Financial Statements from their registered e-mail address, mentioning their name, **DPID** and **Client ID number/folio number** and **mobile number** at the Company's investor desk at [jayesh.patel@meghmani.com](mailto:jayesh.patel@meghmani.com) at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.

### Nomination

26. Members can avail facility of nomination in respect of equity shares held by them pursuant to Section 72 of the Act and rules made thereunder. Members holding equity shares in demat mode may contact their respective Depository Participant for availing this facility. Members holding equity shares in physical form desiring to avail this facility may send their nominations in the prescribed Form No. SH-13 duly filled in, to Link Intime at the abovementioned address.

### Request to Members to participate in green initiative

27. In compliance with the MCA Circulars and the SEBI Circulars, all Members holding shares in physical form or demat mode, are requested to register/keep their records viz. e-mail address, PAN, Bank Account details, registered Mobile Nos. updated to:

- Receive electronic copies of the all Company communications to Shareholders viz. Notice of AGMs/ EGMs/Postal Ballot notice, Annual Reports, Dividend mandates and other correspondence on their registered e-mail address.
- Receive seamless credit of Dividend directly to the registered bank account through electronic clearing services or any other means.

### E-Voting

28. The Company is pleased to provide members, facility to exercise their right to vote at the 3rd Annual General Meeting (AGM) by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
29. The detailed procedure for participation in the meeting through VC/OAVM is available at the Company's website [www.meghmani.com](http://www.meghmani.com).
30. The helpline number regarding any query / assistance for participation in the AGM through VC/ OAVM is 022-23058542/43.

### 31. PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice convening the AGM has been uploaded on the website of the Company at [www.meghmani.com](http://www.meghmani.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA latest Circular No. 02/2022 dated May 5, 2022 along with earlier circulars issued in this regard..

### 32. THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER :

- (i) **The voting period begins on Thursday, 23 June, 2022 (from 9:00 a.m.) and ends on Sunday, 26 June, 2022 (upto 5:00 p.m.).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20 June, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been

decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p>
	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and **shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [jayesh.patel@meghmani.com](mailto:jayesh.patel@meghmani.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi, Sr. Manager, (CDSL,)** Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on **022-23058542/43**.

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

### ITEM NO. 5

#### Ratification of the remuneration payable to Cost Auditors of the Company

The Board, on the recommendation of the Audit Committee, has approved in their meeting held on May 2, 2022 the appointment of M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the cost records of the Company for the financial year ending on March 31, 2023 at a remuneration of ₹ 2,50,000/- (₹ Two Lakhs Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

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

The Board accordingly, recommends the members for passing of the resolution as set out at item No: 5 of the Notice as an **Ordinary resolution**.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

### ITEM NO. 6

#### Ratification of Material Related Party Transaction with MFL for the financial year FY 2021-22

The Company is in the business of manufacture of Agrochemicals and Pigments. Meghmani Finechem Limited (MFL), being a Related Party in which KMP and their relatives have significant influence, engaged in the business of specialty chemicals including Chlorine and Caustic at plant which is adjoining to our manufacturing facility at Dahej. The Chlorine, a raw material used in manufacture the Agrochemical Products, supplied by MFL through pipe line from its plant which is adjoining to our manufacturing plant situated at GIDC Dahe. MFL is also supplying Caustic to other six manufacturing sites of the Company.

The Company has entered into the following transactions with MFL during the year ended on March 31, 2022, which has exceeded the limit of 10% of the annual consolidated turnover of the Company of the last year due to abrupt rise in the price of raw material:

Transactions	₹ In Crores
Purchase of goods/services	167.23
Sale of MEIS License	2.32
Dividend received on RPS	15.39
Total	184.94

The Members are requested to ratify the above transactions entered into by the Company with MFL. The said transactions were in the normal course of business and at arm's length basis which were approved by the Audit Committee. In terms of SEBI circular No: EBI/HO/CFD/CMD1/CIR/P/2022/40 issued on March 30, 2022, existing material related party transactions entered into prior to April 1, 2022 and which continues beyond such date shall be placed before shareholders in the first General Meeting held after April 1, 2022.

Accordingly, the Board of Directors recommends the members to pass the resolution(s) as set out at item No. 6 of the Notice as an **Ordinary Resolution**.

All Executive Directors of the Company together with their relative are holding 71.18% shares in MFL and KMP/their relatives are also holding 2069(negligible) shares in MFL and they are interested or concerned financially or otherwise in the proposed resolution(s) to the extent of their holding in MFL. None of the other Directors, other Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

### ITEM NO. 7

#### Omnibus Approval of Material Related Party Transaction with MFL for the financial year 2022-23

The Company is in the business of manufacture of Agrochemicals and Pigments. Meghmani Finechem Limited (MFL), being a Related Party in which KMP and their relatives have significant influence, engaged in the business of specialty chemicals including Chlorine and Caustic at plant which is adjoining to our manufacturing facility at Dahej. Your Company is consuming Chlorine to manufacture the Agrochemical Products supplied by MFL through pipe line from its plant situated at GIDC Dahej, which is adjoining to the manufacturing facility of the Company. MFL is also supplying Caustic to other six manufacturing sites of the Company.

The transaction to be entered into with MFL including but not limited to quantity of Caustic and Chlorine to be purchased from MFL will be at arm's length prices and in the normal course of business. The total value of the proposed transaction(s) with MFL during the financial year 2022-23 may reach to ₹ 450 Crore.

Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been amended which mandates the listed Company to take prior approval of members for material Related Party Transactions if *A transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. These amendments have been made effective from April 1, 2022.*

In terms of policy on Related Party Transaction, increase in rupee value by more than 25% compared with value limit for transaction with Related Parties as approved by the Shareholders shall be considered material modifications and it requires prior approval of Shareholders. The omnibus approval by shareholders shall have auto approval for additional value of transaction upto 25% of the approved limit for specific period and it shall not require fresh approval of shareholders and may be considered in the omnibus approval for succeeding year.

Hence, omnibus approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with MFL in the financial year 2022-23. The details as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI (LODR) Regulations, 2015, in connection with related party transactions with MFL are as under:

<b>Name of the Related Party</b>	<b>Name of the Director/KMP who is related and nature of their relationship</b>	<b>Nature, material terms, monetary value and particulars of the contract or arrangement</b>
Meghmani Finechem Limited	<p>Directors of Meghmani Organics Limited viz., <b>Directors:</b>            Mr. Jayanti Patel            Mr. Ashish Soparkar            Mr. Natwarlal Patel            Mr. Ramesh Patel            Mr. Anand Patel  <b>KMP:</b>            Mr. Ankit Patel, CEO            Are related to Directors/KMP of Meghmani Finechem Limited            Mr. Maulik Patel,            Mr. Kaushal Soparkar            Mr. Ankit Patel            Mr. Karana Patel            Mr. Darshan Patel</p>	<p>Nature of Transaction :-  <b>(A) Purchase, Sale, or supply of any goods or material (directly or through an agent), others</b>            Material terms :-            (1) Value of Transaction                  ₹450 Crores for the Financial Year 2022-23 (or such extended period or time as may be decided by the Board of Directors).            (2) Purchase/Sales/ Transaction or supply of goods or materials will be on order to order basis            (3) Purchase/Sales Transaction or supply of goods or materials will be on a continuous basis            (4) Purchase/Sales/others will be made at Arm's Length price or prevailing market price as may be mutually decided by the Board of Directors            (5) No advance is given for the Purchase/Sales Transaction or supply of goods or materials            (6) The Credit period of 30 days is given for payment of Tax Invoice which is at par with the other Customers.            (7) Interest @18 % per annum will be charged on the amount remaining unpaid after due date.            (8) No complaints in respect of material supplied will be considered unless the same is lodged in writing within 10 days of dispatch along with proof.  <b>(B) Subscription to Compulsory Redeemable Preference Shares(RPS) issued by MFL</b>            Material terms :-            (1) Value of Transaction                  ₹15.39 crores as dividend on RPS for the Financial Year 2022-23 (or such extended period or time as may be decided by the Board of Directors).            (2) The face value of RPS is ₹ 10 per share            (3) Dividend @ 8% p.a. is payable by MFL            (4) Dividend is cumulative basis            (5) 20 years tenure from the date of allotment            (6) MFL shall have right to exercise the option of early redemption            (7) RPS shall be redeemed at the face value</p>



The proposed transaction(s) with MFL shall be at arm's length basis and in the normal course of business. The Chlorine will be supplied through the pipeline by MFL from its manufacturing unit, which is adjoining to the Company's manufacturing facility, resulting in a minimal loss in transit. The said proposed transaction(s) with MFL, if executed in full length, will account for 18.63% of the consolidated turnover of the Company for FY 2021-22.

Based on the above facts and information provided hereinabove, the proposed transactions with MFL are in the interest of the Company.

The Board of Directors recommends the members to pass the resolution as set out at item no. 7 of the Notice as an **Ordinary Resolution**.

All Executive Directors of the Company together with their relative are holding 71.18% shares in MFL and KMP/their relatives are also holding 2069 (negligible) shares in MFL and they are interested or concerned financially or otherwise in the proposed resolution(s) to the extent of their holding in MFL. None of the other Directors, other Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

**Registered Office:**

Meghmani House,  
B/H Safal Profitaire,  
Prahlanagar,  
Ahmedabad 380 015

By order of the Board  
for **Meghmani Organics Limited**

(formerly known as  
Meghmani Organochem Limited)

Place: Ahmedabad  
Date: May 2, 2022

**Jayesh Patel**  
Company Secretary  
ICSI Mem. No:A14898

**Information required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment / re-appointment at the 3rd Annual General Meeting**

<b>Name of Director</b>	<b>Mr. Natwarlal Patel Managing Director DIN 00027540</b>	<b>Mr. Ramesh Patel Executive Director DIN 00027637</b>
Age in completed years (as on March 31, 2022)	68	65
Date of first appointment on the Board	October 15, 2019	October 15, 2019
Qualification / Brief Resume/ Expertise in specific functional area/ experience	<p>He has experience of more than 42 years in the Dyes and Pigments Industry and more than 26 years in the Agrochemicals Industry. He was one of the founding members and managing director of erstwhile Meghmani Organics Limited, the Demerged Company.</p> <p>He holds a degree of Master of Science from Sardar Patel University, Gujarat.</p>	<p>He has experience of around 42 years in the Pigments Industry and more than 26 years in the Agrochemicals Industry. He was one of the founding members and whole time director of erstwhile Meghmani Organics Limited, the Demerged Company.</p> <p>He holds a degree of Bachelor of Arts from Saurashtra University.</p>
No. of Shares held in the Company	2,08,97,850	1,59,12,067
Relationship with other Directors and Key Managerial Personnel	<p>Except Jayanti Patel, Natwarlal Patel and Ramesh Patel who are brothers, none of our Directors are related to each other as per the provisions of Companies Act, 2013.</p> <p>Further, except Natwarlal Patel who is father of Ankit Patel, CEO of our Company, none of our Directors are related to any of the Key Managerial Personnel.</p>	<p>Except Jayanti Patel, Natwarlal Patel and Ramesh Patel who are brothers, none of our Directors are related to each other as per the provisions of Companies Act, 2013.</p> <p>Further, except Natwarlal Patel who is father of Ankit Patel, CEO of our Company, none of our Directors are related to any of the Key Managerial Personnel.</p>
No of meetings of the Board attended during the year	5/5	5/5
Other Directorships	<ul style="list-style-type: none"> <li>• Meghmani Synthesis Limited</li> <li>• Meghmani Industries Limited</li> <li>• Kilburn Chemicals Limited</li> <li>• Crop Care Federation of India</li> <li>• Meghmani Chemicals Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Meghmani Synthesis Limited</li> <li>• Meghmani Industries Limited</li> <li>• Kilburn Chemicals Limited</li> </ul>
Chairmanship / Membership of Committees of other companies	-	-
Remuneration payable as Executive Directors	The remuneration payable consists of fixed remuneration and performance bonus governs as per Special Resolutions passed by members in their Extra-Ordinary General meeting held on May 7, 2021. The details of remuneration paid during FY2022 are given in Corporate Governance Report annexed with Directors' Report.	

## Notes

[illegible]

## Notes

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CHEMISTRY OF SUCCESS AT WORK

## Meghmani Organics Limited

(Formerly known as Meghmani Organochem Limited)

### Corporate & Registered Office

Meghmani House  
B/h Safal Profitaire, Corporate Road,  
Pralhadnagar, Ahmedabad – 380015. Gujarat, INDIA.

Phone : +91 79 2970 9600 / 7176 1000

Website: [www.meghmani.com](http://www.meghmani.com)

E-mail: [ir@meghmani.com](mailto:ir@meghmani.com)

CIN: L24299GJ2019PLC110321

