

Chemistry of success at work



MEGHMANI ORGANICS LIMITED



ANNUAL REPORT
2010 - 2011

CONTENTS

Corporate Information	02
Chairman's Statement	06
Directors' Report	08
Management Discussion and Analysis	17
Corporate Governance	21
Auditors' Report	35
Balance Sheet	39
Profit and Loss Account	40
Schedules Forming Part of Balance Sheet and Profit and Loss Account	41
Cash Flow Statement	73
Auditors' Report on Consolidated Financial Statements	77
Consolidated Balance Sheet	78
Consolidated Profit and Loss Account	79
Schedules Forming part of Consolidated Balance Sheet and Profit and Loss Account	80
Consolidated Cash Flow Statement	104
Statement Pursuant To Section 212 of the Companies Act, 1956	106
Notice of Annual General Meeting	108
Proxy Form	114

CORPORATE INFORMATION

BOARD OF DIRECTORS

Jayanti M Patel
Ashish N Soparkar
Natwarlal M Patel
Ramesh M Patel
Anand I Patel
Ashvin K. Raythatha (Resigned on 09.05.2011)
Balkrishna T Thakkar
Chinubhai R Shah
Jayaraman Vishwanathan
Chandan Bhattacharya (Resigned on 21.04.2011)
Kantibhai H Patel
Akthar Hassen G Shaik

AUDIT COMMITTEE

Balkrishna T Thakkar
Chinubhai R Shah
Jayaraman Vishwanathan

NOMINATING COMMITTEE

Chinubhai R Shah
Balkrishna T. Thakkar
Jayanti M Patel

REMUNERATION COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Natwarlal M Patel

THE SHAREHOLDERS' / INVESTORS' GRIEVANCE, SHARE ALLOTMENT AND SHARE TRANSFER COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Ashish N. Soparkar

COMPANY SECRETARY

Kamlesh Dinkerray Mehta

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Road, Bhandup (West),
Mumbai 400 078, India.
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329

CORPORATE INFORMATION**SINGAPORE DEPOSITORY SHARES ("SDSs")
REGISTRAR AND SDSs OFFICE**

Tricor Barbinder Share Registration Services
8 Cross Street # 11,
PWC Building,
Singapore 048424
Telephone No. (65) 6236 3552
Fax No. (65) 6236 3405
E-mail : helpdesk@meghmani.com

SINGAPORE SECRETARIAL AGENT

Tricor Evatthouse Corporate Services
8 Cross Street # 11,
PWC Building,
Singapore 048424
Telephone No. (65) 6236 3510
Fax No. (65) 6236 4399
E-mail : helpdesk@meghmani.com

REGISTERED OFFICE

Plot No. 184, Phase II,
G.I.D.C. Vatva,
Ahmedabad -382 445
Telephone No. 91-79-25831210
Fax No. 91-79-25833403
E-mail : helpdesk@meghmani.com

CORPORATE OFFICE

Meghmani House,
Shreenivas Society,
Off. Vikas Gruh Road,
Paldi, Ahmedabad - 380 007.
Telephone No. : 91-79-26640668 / 669
Fax No. : 91-79-26640670
E-mail : helpdesk@meghmani.com

MUMBAI OFFICE

22/23, Vellard View Co. Op. Housing Society,
Tardeo Road,
Mumbai - 400 007

CORPORATE INFORMATION

PLANT LOCATION

1. Pigment Green - Division

Plot No. 184, Phase II,
G.I.D.C. Vatva,
Ahmedabad -382 445
Telephone No. 91-79-25831210
Fax No. 91-79-25833403
E-mail : helpdesk@meghmani.com

2. Pigment Blue - Division

Plot No. 21,21/1,
G.I.D.C. Panoli,
District :- Bharuch
Telephone No. 91-2646-276352
Fax No. 91-2646-276374
E-mail : helpdesk@meghmani.com

3. Agro Division - I

Plot No. 402,403,404 & 452,
Village : Chharodi,
Taluka : Sanand,
District :- Ahmedabad
Telephone No. 91-2717-273251
Fax No. 91-2717-273254
E-mail : helpdesk@meghmani.com

4. Agro Division - II

5001/B,
G.I.D.C. Ankleshwar,
District :- Bharuch
Telephone No. 91-2646-222971
Fax No. 91-2646-222965
E-mail : helpdesk@meghmani.com

5. Agro Division - III

Plot No - Ch-1+2/A
GIDC Dahej
Taluka - Vagra
Dahej - Bharuch -392130
Telephone No. 91-2641-256677 /88
E-mail : helpdesk@meghmani.com

6. Agro Division - IV

Plot No. 22/2,
G.I.D.C. Panoli,
District :- Bharuch
Telephone No. 91-2646- 276577
E-mail : helpdesk@meghmani.com

CORPORATE INFORMATION

PRINCIPAL BANKERS

State Bank of India,
CAG Branch,
58, Shreemali Society,
Navrangpura,
Ahmedabad 380 009

HDFC Bank Limited
Mithakhali,
Ahmedabad 380 009

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

Standard Chartered Bank,
Ground Floor, Abhijeet II,
Mithakhali Six Roads,
Ahmedabad - 380 006

AUDITORS

M/s Patel & Khandwala
204, Akik,
Opp. Lions Hall,
Mithakhali, Ahmedabad 380 009

CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me immense pleasure to welcome all members of the Company at the 17th Annual General meeting. I am very happy to note your high level of interest in Meghmani Organics Limited (Meghmani), India's one of the fastest growing chemicals manufacturing Company.

Agrochemical outlook :

The Agrochemical outlook for Megamani is improving qualitatively. The outlook for future is also being driven by other factors like, the per-capita consumption of pesticides being still very low, providing opportunities for growth, increased demand for food grains and the rising awareness about pesticide usage among the farming community. Also the Indian Economy has recovered quickly thanks to its strong fundamentals. In combating the recession effectively with our strategies Meghmani has emerged stronger and entirely capable of meeting the future challenges.

Meghmani has been laying emphasis on increasing the number of product registrations in countries such as USA, Australia, Brazil, Bangladesh, China, Mexico, Malaysia, Turkey and Taiwan. The Company currently holds 80 registrations world wide and has more than 387 registrations pending in over 50 countries globally. The Company considers registration as crucial and considerable investments are focused on registrations. Our focus on formulation sales have translated, into 150 registration of Central Insecticides Board (CIB) of India.

Pigment Outlook:

Almost all industrial sectors need Pigments, with printing inks, paints, and plastics and thus they all constitute growth markets for Pigments. More and more manufacturers use new colours and visual effects for their packaging and advertising material. In addition, sectors such as cosmetics, paper, and textile, building material, ceramics and glass create big demands on Pigments.

The Year in Numbers:

Our relentless efforts to push for growth in spite of tough market conditions have enabled us to stay in the profit street. The Company recorded a Profit After Tax of Rs 474 million on the back of a revenue generation of Rs 8447 million for the year ended March 31, 2011. Once again Agrochemicals segment was the main contributor to revenues totaling Rs 4405 million, up from Rs 4120 million in fiscal 2010. The revenues generated by the Pigment Division totaled Rs 3549 million compared to Rs 2814 million a year ago. Together they contributed a growth of 15.8% for fiscal 2011.

Review of Core Business segments:

The year under review saw growth in both Pigment and Agrochemicals businesses in spite of the modest growth in world pesticides industry. But Meghmani's quick responses and cost cutting measures ensured that the Company stayed on the growth track without confidence levels diminishing a wee bit. Our focus on growth has resulted in sustaining not only the momentum of recovery but forge ahead in the market place.

In spite of difficult market conditions, the Company has performed exceedingly well on the export front. Pigment exports realized better prices as well as increased volumes. Earnings from Agrochemicals increased due to higher quantity Sales.

Overall, the Company's export earnings for the year under review from both Pigments and Agrochemicals have aggregated to Rs 5889 million, an increase of 15% on year-on-year basis. Exports of Pigments fetched revenue of Rs 2640 million, a 21% increase over fiscal 2010 while the earnings from Agrochemicals rose by a modest 7.2% to Rs 2806 million compared to Rs 2617 million in the previous year.

Over the years, Meghmani has rapidly expanded its geographical coverage from India to overseas markets in Europe, the US, Latin America and Asia Pacific. For the financial year ended 31 March 2011, export sales accounted for about 70% and the domestic market in India accounted for 30% of the Company's total revenue. Asia (excluding India) contributed about 15% to the Company's revenue, while the North America and Europe contributed 21% and 17% respectively to the Company's revenue. The remaining contributions came from Meghmani's other markets in South America 11%, Australia 4% and Africa 2%.

Environmental Awareness:-

As a responsible corporate citizen and as a chemicals manufacturer environmental safety has been one of the key concerns of Meghmani. It is the constant endeavour of the Company to strive for pollution abatement and be compliant with stipulated pollution control norms. During the year for Second Consecutive year, the Company has won the most prestigious 2nd Level Silver Safety Award for the year 2009 from the National Safety Council of India (NSCI).

Strategy of The Company:-

To offer a complementary set of products and to expand the product basket, the Agrochemicals Division has started production of one of the most widely used herbicide 2,4-D at its Dahej site. The site is backward integrated to manufacture the intermediates like MCAA, TCAC. We are now one of the top 5 largest producers of this herbicide in the world based on installed production capacity.

The recently set up formulation plant at GIDC Panoli, Ankleshwar has also started performing at its peak capacity, despite issues of labor shortage.

The Company has purchased land of 100,000 Square Meter at GIDC Dahej - II, Dahej, District Bharuch. The Company is evaluating the option to set up new products of Pigment or derivatives of Basic Chemicals. The members will be informed once the plan is crystallized.

Outlook for 2011-12

It is said that the tough gets going when the going gets tough. This is precisely what we experienced in FY 2011 counteracting the challenges posed by sudden and abnormal increase in the prices of raw materials and cost of utilities.

But the situation is still not entirely favorable. There could be fresh bouts of increases in crude oil prices, which will result in higher prices of raw materials that are derivatives of crude. The bullish trend in the metal market continues pushing up copper and aluminum prices. If this trend of rising raw materials costs continues, our Company's profitability will be affected in FY 2012 as well. We have been making efforts to pass the higher raw material costs on to customers. However, this is a market-dependent and a time consuming process.

The global market for Pigment and Agrochemicals continued to show signs of stabilizing with recovery in the sale price.

Acknowledgement

On behalf of the Board of Directors, I would like to express our sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants and advisors for their continued support throughout the year.

On behalf of management, I sincerely acknowledge the contribution made by all the employees for their dedicated services to the Company.

* * * *

DIRECTORS' REPORT

To,
The Members,
Meghmani Organics Limited

Your Directors have pleasure in presenting Seventeenth Annual report and Audited Statement of Accounts of the Company for the Financial Year ended on 31st March, 2011.

FINANCIAL RESULTS

(Rs. in Millions)

PARTICULARS	YEAR ENDED ON MARCH 31, 2011	YEAR ENDED ON MARCH 31, 2010
(a) Net Sales & Other Income	8668.67	7521.25
(b) Profit before Interest & Depreciation	943.98	1154.65
(c) Financial Expenses	194.30	136.01
(d) Depreciation	203.46	170.16
(e) Profit Before Exceptional Item & Tax	546.22	848.48
(f) Exceptional Item	(56.70)	11.20
(g) Extra Ordinary Item	2.50	-
(h) Profit Before Tax	600.42	837.28
(i) Payment & Provision of Current Tax	115.00	230.36
(j) Deferred Tax Expenses/(Income)	13.61	(8.88)
(k) Profit After Tax	471.81	615.80
Profit Available for Appropriation	471.81	615.80
Appropriations:-		
General Reserve	50.00	65.00
Proposed / Final Dividend	101.73	101.73
Tax on Proposed/ Final Dividend	16.50	16.89
Balance carried forward	303.58	550.80
Total of Appropriations	471.81	615.80

DIVIDEND:-

Your Directors are pleased to recommend dividend of Rs. 0.40 (Forty Paise) per Equity share of Rs. 1/- each on 254,314,211 Equity Shares of Rs. 1/- each, for your approval. The proposed dividend is tax free in the hands of shareholders.

OPERATIONS:-

TURN OVER :-

Net Turn Over of the Company has increased from Rs. 7292.18 Mn in FY 2010 to Rs. 8446.99 Mn in FY 2011, showing increase of Rs. 1154.81 Mn i.e. 15.84%.

DOMESTIC SALES:-

The Domestic Sales of the Company increased from Rs. 2175.18 Mn in FY 2010 to Rs. 2557.83 Mn in FY 2011 showing increase of Rs. 382.65 Mn i.e. 17.59%.

The Domestic Sales of Pigment Division increased by Rs. 264.95 Mn (41.10%) i.e. from Rs. 644.56 Mn in FY 2010 to Rs. 909.51 Mn in FY 2011 due to higher quantity sales and better price realization.

The Domestic sales of Agro Division increased by Rs. 96.49 Mn (6.42%) i.e. from Rs. 1502.80 Mn in FY 2010 to Rs. 1599.29 Mn in FY 2011. The pressure on pricing remained for all Agro Products.

EXPORT SALES

The Export Sales increased from Rs. 5117.01 Mn in FY 2010 to Rs. 5889.16 Mn in FY 2011 showing an increase of Rs. 772.15 Mn i.e. 15.09%.

The Export Sales of Pigment Division increased by Rs. 470.28 Mn (21.67%) i.e. from Rs. 2170.13 Mn in FY 2010 to Rs. 2640.41 Mn in FY 2011 due to better price realization and higher quantity sales..

The Export Sales of Agro Division increased by Rs. 188.71 Mn (7.21%) i.e. from Rs. 2617.13 Mn in FY 2010 to Rs. 2805.84 Mn in FY 2011 due to higher quantity sales.

TRADING SALES

The trading sales increased by Rs. 134.38 Mn.

OTHER INCOME

Other income decreased marginally by Rs. 0.74 Mn.

PROFITABILITY:-

Pre-tax profits decreased to Rs. 600.42 Mn i.e. by 28.89% while Post-tax profits decreased to Rs. 471.81 Mn i.e. by 23.38% .

Earnings Per Share for the year stands at Rs. 1.86 (previous year Rs. 2.42).

EXCEPTIONAL ITEMS:-

As per the guide lines issued by Institute of Chartered Accountants of India and Ministry of Corporate Affairs the Company has booked the foreign exchange gain /loss on mark to market basis.

FIRE AT NEW BETA BLUE PLANT :-

An accidental Fire had broken out on Tuesday, 01 February, 2011, in New Beta Blue Plant (one of the manufacturing facilities) of Pigment Division situated at Plot No. 21, 21/1, GIDC Industrial Estate Panoli, Ankleshwar, Gujarat, (India).

The fire spread to entire New Beta Blue plant, was brought under control after considerable efforts by Fire fighters. No casualty had taken place and all the staff members were safe.

The other manufacturing plants at this site Viz., CPC (Copper Phthalocyanine Crude), Alpha Blue, Beta Blue (old Plant) which were not affected due to fire, restarted the production on:-

- | | |
|-----------------------------|------------------------------|
| 1. C P C Blue Crude Plant - | Tuesday, 08th February, 2011 |
| 2. Alpha Blue Plant :- | Tuesday, 08th February, 2011 |
| 3. Beta Blue (Old Plant) :- | Monday, 14th February, 2011. |

To mitigate loss the Company has restarted certain portion of New Beta Blue Plant on 12th April, 2011. The Company expects to complete reconstruction of the remaining manufacturing facility of New Beta Blue Plant by August, 2011.

The Company has Industrial All Risk Policy from Oriental Insurance Company Limited and the Company is adequately covered. The financial loss of Rs. 320 Mn has been estimated on account of Fire. This includes Business Interruption loss.

The Company had lodged the First on account payment claim with Oriental Insurance Company Limited, Ahmedabad and has received Rs. 80 Mn on 22 March, 2011. The papers for Second on account Claim of Rs. 200 Mn have been submitted to insurance company on 02 May, 2011. We are awaiting the payment of Second on Account claim.

FINANCE :-

PRIVATE PLACEMENT OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES ("NCDs")

During the year, the Company has successfully raised Rs. 1000 Mn through Private placement of Secured Redeemable Non-Convertible Debentures (NCDs/ Debentures) of Rs. 10,00,000/- each comprising of 10 Detachable and Separately Transferable Redeemable Principal Parts ("STRPPs") of face value of Rs. 1,00,000/- each.

The coupon Rate of NCD is 10.40% p.a. and the tenure is of 5 years. They are listed on Wholesale Debt Market (WDM) Segment of BSE.

The objective of the issue was to raise the fund for Augmenting Medium to Long Term Resources of the Company including regular capital expenditure.

AGROCHEMICALS - EXPANSION:-

The Company has purchased two industrial plots Plot No. 4707B (admeasuring 17686 Sq. Mtrs) and Plot No 4707P (admeasuring about 6400 meters) with a constructed structure admeasuring about 5000 Sq. Mtrs. on Plot No 4707B, situated at GIDC Industrial - Ankleshwar, from Santogen Group, Mumbai

The Company has acquired the Plots to set up Agrochemical Formulation Plant. The formulations of Synthetic Pyrethroids and Technical products of Organo Phosphorous will be made.

PIGMENT - EXPANSION:-

The Company had applied to Gujarat Industrial Development Corporation (GIDC) Ankleshwar for allotment of additional land of 100,000 Square Meter at GIDC Dahej - II, Dahej, District Bharuch. GIDC has allotted the land and the physical possession has been handed over. The Company is evaluating the option to set up new products of Pigment or derivatives of Basic Chemicals. The members will be informed once the plan is crystallized.

PIGMENT - EXPANSION THROUGH SUBSIDIARY:

Meghmani Chemtech Limited (Meghmani Chemtech) is a Subsidiary of the Company (MOL). The Company holds 97 % of Equity Shares of Meghmani Chemtech.

Meghmani Chemtech has physical possession of Plot No. Z 31 & Z 32 admeasuring 86228.51 Square Meters situated at Dahej SEZ Limited, Dahej, Bharuch

Meghmani Chemtech is setting up manufacturing facility to produce viz., CPC Blue (Crude) - 500 MT, Beta Blue - 250 MT. and Alpha Blue - 100 MT per month. The estimated cost of the project is Rs. 600 Mns, which is to be financed by MOL. The Project is to be commissioned by April, 2012. The projected turn over in FY 2013 (full year of operation) will be Rs. 2400 Mns.

AWARDS:-

The Agrochemical manufacturing facility of the Company situated at Ankleshwar, Gujarat, has bagged the most prestigious 2nd Level Silver Safety Award for the year 2009 by National Safety council of India (NSCI). Shri Mallikarjun Kharge, Hon'ble Minister for Labour & Employment, Government of India presented the national level NSCI Safety awards on Saturday, 30th October, 2010 at Mumbai. The award adds to commitment and dedication of your company towards Safety, Health and Environment (SHE).

REGISTRATIONS

To date, 80 exports registrations have been received and applications for 387 registrations have been made in different parts of the world. The Company has 150 registration of Central Insecticides Board (CIB) , Faridabad. On Intellectual Property rights the Company has 25 registered Trade Marks.

RESEARCH & DEVELOPMENT

Inhouse Research and Development (R & D) Center of our Chharodi plant has recognition of Department of Scientific and Industrial Research (DSIR), Government of India, Ministry of Science and Technology.

The 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. During the year the Company has spent Rs. 30.62 Mn as Research & Development Expenses.

SUBSIDIARY COMPANIES

The Company has following Six subsidiaries.

- (1) Meghmani Energy Limited (MEL) - Power Generation
- (2) Meghmani Europe BVBA (Meghmani Europe) - Trading Business
- (3) Meghmani Organics USA. Inc. (Meghmani USA) - Trading Business
- (4) Meghmani Finechem Limited (MFL) - Caustic Manufacturing
- (5) PT Meghmani Organics Indonesia (Meghmani Indonesia) - Trading Business
- (6) Meghmani Chemtech Limited (Meghmani Chemtech) - Manufacturing

COMPLIANCE OF SECTION 212 OF THE COMPANIES ACT 1956

The Ministry of Corporate Affairs vide General Circular No. 2/ 2011 bearing reference No. 5/12/2007-CL-III dated 08th February, 2011 has granted general exemption directs that provisions of Section 212 to attach the Balance sheet shall not apply in relation to subsidiaries of those companies which fulfil the conditions prescribed in the circular. Accordingly, the Board of Directors of the Company has passed the necessary resolution on 27th May, 2011 containing the conditions prescribed in the circular and giving consent to Board to not to attach the Balancesheet.

The Company will make available these documents/ details upon request by any member of the Company. These documents/ details will be available on the Company's website www.meghmani.com and will also be available for inspection by any member of the company at the Registered Office of the Company on any working days except Saturday, between 4.00 p.m. to 6.00 p.m.

In accordance with the requirements of Accounting Standard 21, 23 and 27 issued by Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries have been prepared and the same are annexed to this report.

CAPITAL EXPENDITURE:-

Capital expenditure incurred during the year aggregated to Rs. 622.91 Mn.

FIXED DEPOSITS:-

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

MANAGEMENT & DISCUSSION ANALYSIS REPORT:-

As per clause 49 of the Listing Agreement with the Stock Exchanges, the Management and Discussion analysis, is appended to this report.

CORPORATE GOVERNANCE:-

As per Clause 49 of the Listing Agreement the Corporate Governance information is appended to this report. This report also forms part of Singapore Stock Exchange listing requirements.

DIRECTORS' RESPONSIBILITY STATEMENT:-

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm:

- a) that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- b) that appropriate accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2011 and of the profit of the Company for the year ended on March 31, 2011;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

ENERGY, TECHNOLOGY, AND FOREIGN EXCHANGE:-

The information to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to energy, technology, and foreign exchange is annexed separately to form part of this report.

DISCLOSURE OF INFORMATION RELATING TO FOREIGN EXCHANGE OUTGO

Disclosure of information relating to Foreign Exchange outgo as required under Rule 2(c) is already given in Schedule 23 Notes forming part of the Audited Annual Accounts.

DIRECTORS

Mr. Ashvin Raythatha - Executive Director (International Marketing) whose term has expired on 31 March, 2011 is not continuing as a Director on the Board. The Board appreciates and takes on record his contribution to develop International markets for its product.

Mr. Chandan Bhattacharya, Independent Director on the board of the Company has resigned from the Board to be effective from 21 April, 2011. The Board takes on record his valuable contribution in the growth of the Company and suggestions to adhere compliance of Corporate Governance and Risk management Policy.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Natwarlal Patel, Mr. Ramesh Patel, and Mr. Anand Patel retiring by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors seeking re-appointment at the ensuing Annual General Meeting has been provided in the Notice of the Annual General Meeting, forming part of the Annual Report.

EMPLOYEE RELATIONS & PARTICULARS OF EMPLOYEE

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report and is annexed to this report.

AUDITORS

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

The Company has received letter from them to the effect of their reappointment, if made, would be within the prescribed limit under Section 224 (B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

ACKNOWLEDGMENT

Your directors take this opportunity to convey their sincere thanks to all the Agencies more specifically, Gujarat Gas, Factory Inspector Office, Daxin Gujarat Vij Company Limited for their whole hearted support in the need of hours at the time of Fire at New Beta Plant at Panoli and granting us the permission to restart the production facility. We also take on record the hard work of our employees to make this possible.

Your directors express their sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants and advisors for their continued support throughout the year.

Your Directors sincerely acknowledge the contribution made by all the employees for their dedicated services to the Company.

For and on behalf of the Board

Jayanti Patel

Executive Chairman

Place: Ahmedabad

Date: 27.05.2011

ANNEXURE TO THE DIRECTORS' REPORT

A	Energy conservation measures taken	1. Installation of New Cooling Tower
		2. Replacement drive assembly agitators with helical gear boxes to reduce power cost.
		3. Installation of VFD, Power Factor improvement device, Voltage regulator for lighting circuit, high efficiency motor.
B	Additional investments and proposals if any being implemented for reduction of consumption of energy	Not Applicable
C	Impact of the measures at (a) & (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods.	Total Power saving of Rs. 18 lacs per month
D	Total energy consumption and energy consumption per unit of production	As per Annexure - A

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars		2010-11	2009-10
A	Power Consumption		
1	Electricity Consumption		
(a)	Purchase		
	Unit	KWH	19674326
	Total Amount	Rs.	12322249
	Rate / Unit	Rs.	6.26
(b)	Own Generation (Through Diesel)		
	Unit	KWH	446047
	Unit per Litre of Diesel	KWH	2.73
	Cost / Unit	Rs.	15.39
(c)	Own Generation through Steam Turbine / Generator		
	Unit	KWH	36539300
	Cost / Unit	Rs.	3.29
2.	Coal (Specify Quality and Used)		
	Steam Generated	MT	145623
	Consumption of Coal / Lignite	MT	13223
	Consumption of Fuel Oil	MT	169
	Gas Consumption	Cubic Meter	5574
	Cost per Unit	Kg	1.07
	Steam Purchase	MT	33189
3.	Others / Internal Generations		
B	Consumption per unit of Production	MT	35501
	Electricity	Rs. / MT	7055
			33204
			6815

2. TECHNOLOGY ABSORPTION**Form-B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION****Research & Development**

1	Specific areas in which R & D is carried out by the Company.	Agrochemical - Insecticides Process Improvement & New Product Development Pigment-Beta Blue- NC- NCNF (15.3) & (15.4) Alpha Blue NC - NCNF (15.0) & (15.1)
2	Benefits derived as a result of the above R & D.	The Products are at development stage. The benefits will be derived in the next year.
3	Future Plan of Action	To take the Product developed at R &D level to Pilot Plant level
4	Expenditure on R & D	Rs. 30,623,293

B. Technology Absorption, Adoption and Innovation:

A	Efforts, in brief, made towards technology absorption, adaptation and innovation.	----
B	Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.	----
C	Imported technology (imported during the last 5 years reckoned from the beginning of the financial year.	During the last five years, no technology has been imported by way of foreign collaboration or otherwise for the existing products of the Company.

Foreign Exchange Earnings And Outgo

The particulars with regards to foreign exchange earnings and outgo appear in Schedule 23 forming part of Annual Report and Account.

For and On behalf of the Board of Directors

Place : Ahmedabad

Date: 27.05.2011

Jayanti Patel

Executive Chairman

Information as per Section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 and forming part of Director's Report for the year ended 31st March, 2011

Sr. No	Name	Age	Qualification	Date of re-appointment	Designation	Remuneration		Experience (years)	Last Employment
						Gross Rs.	Net Rs.		
1	Jayanti M. Patel	59	B.E.(Chemical)	01.04.2009	Executive Chairman	12875013	12011013	35	Nil
2	Ashish Soparkar	59	B.E.(Chemical)	01.04.2009	Managing Director	12875013	12011013	35	Nil
3	Natwarlal M. Patel	57	M.Sc.(Chemistry)	01.04.2009	Managing Director	12875013	12011013	35	Nil
4	Ramesh M. Patel	55	B.A.	01.04.2009	Executive Director	10302810	9542490	31	Nil
5	Anand I. Patel	49	B.Sc.(Chemical)	01.04.2009	Executive Director	9582810	8822490	25	Nil

Note:- Mr. Jayanti Patel, Mr. Natwarlal Patel , Mr. Ramesh Patel and Mr. Anand Patel are related to each other.

MANAGEMENT DISCUSSION AND ANALYSIS

AGROCHEMICALS - INDUSTRY OVER VIEW

Following a period of decline in overall market values, the global pesticides industry - as expected has recovered in 2010 and has registered a modest growth of around 1.1% over the previous year. Although high cereal stocks in Europe, high energy costs, over supply of pesticides globally and concerns over re-registration in various important markets has limited gains, this small rise represents an improvement over the past few years. At a time of rising food prices, population growth, increased demand for bio-fuels and concerns over global food security, there is a growing need for using every available technology - including pesticides, to meet future food needs and tackle the emerging challenges of climate change and resource conservation.

The Indian crop protection chemicals market has seen a sustained increase from 2005 onwards, resulting in India being ranked third in best global market performance - after Argentina and Brazil, with a compound annual growth rate of 10 percent. This is mainly due to the consistent monsoon seasons, over-supply resulting in pesticides being more financially feasible for usage by farmers and growth seen in the export market. India has raised the level of its export competency with a consistent quality and supply record and possession of a vast unexplored market. Chemicals manufacturers have targeted product awareness campaigns at Indian farmers, as the country's affordability has increased with the cultivation of high-value crops. 'The per capita consumption of pesticides in India is still very low compared to the developed countries and manufacturers need a smart 'get to market' strategy to achieve better reach and acceptance of products. The demand will also be driven by the rising food grain demand and increasing awareness about pesticide usage among the farmer community. However, threat of illegal, cheap imports from China is ever present and becoming a big factor in performance of local Indian producers.

With the global pesticides market expected to grow at an average annual rate of 2.2% till 2014 and with favourable market factors - lead by sustained demand for food grains and bio-fuels and government's focus on development of agriculture, the outlook for Meghmani is improving, after a year of below par performance. The year saw an average performance in exports mainly because of the imposition of international embargo on Iran - one of our main export markets, low off-take from Argentina, re-registration requirements in some of the Latin American countries and a general malaise seen within the existing customer base.

AGROCHEMICALS - OVERVIEW OF THE COMPANY

The Company has 4 Agrochemical manufacturing facilities situated at :-

1. Plot No. 402,403,404,452 & 455, Village Chharodi, Taluka Sanand - Ahmedabad,
2. Plot No. 5001 B, GIDC Ankleshwar, Ankleshwar
3. Plot No. 20, GIDC Panoli, Ankleshwar
4. Plot No. CH-1+2/A GIDC Industrial Estate, Dahej, Taluka:Vagra, : Bharuch.

The Company produces commonly used pesticides for crop and non-crop applications such as public health, insect control in wood preservation and food grain storage. The Company counts amongst its customers leading pesticide manufacturers from North America, Europe, Latin America, Asia, Brazil, and South Africa.

The production process of the Company's Agro businesses are largely vertically integrated. We manufacture some Pesticides Intermediates which are used in the manufacture of our Pesticides Technical. Such vertical integration allows us to effectively manage our raw material costs and assures us of a constant supply of such raw materials at a consistent quality and consequently, has reduced our reliance on third party suppliers for such raw materials. Past two years have shown highly inconsistent raw material supplies with production sites in both India and China getting afflicted by environmental issues, thereby adversely affecting the production within the Company. Therefore, the future focus for the Company would be further backward integration.

Performance of Agrobusiness (Divisionwise)

Particulars	31.03.2011 Rs. in Mn	31.03.2010 Rs.in Mn
Domestic		
Agro - Chharodi (Agro - I)	1080.57	988.14
Agro - Ankleshwar (Agro-II)	507.48	514.66
Agro - Dahej (Agro-III)	11.24	0.00
Agro - Panoli (Agro-IV)	0.00	0.00
Total	1599.29	1502.80
Export		
Agro - Chharodi (Agro - I)	780.16	873.47
Agro - Ankleshwar (Agro-II)	1682.87	1695.78
Agro - Dahej (Agro-III)	106.41	0.00
Agro - Panoli (Agro-IV)	236.40	47.88
Total	2805.84	2617.13
Grand Total	4405.13	4119.93

Besides international Agrochemical producers, there are competitors in India having similar products as our Company. We compete against our competitors on our quality, technical competence, distribution channels, logistics facilities, after sales service and customer relationships.

We sell our products to customers from various countries in North America, Europe, Central and Latin America, Asia-Pacific, South Africa and Brazil. As a result, our business and future growth is dependent on the political, economic, regulatory and social conditions of these countries.

Any change in the policies implemented by the governments of any of these countries which result in currency and interest rate fluctuations, capital restrictions, and changes in duties and tax that are detrimental to our business could adversely affect our operations, financial performance and future growth.

Strategy of the Company

To offer a complementary set of products and to expand the product basket, the Agrochemicals Division has started production of one of the most widely used herbicide - 2,4-D at its Dahej site. The site is backward integrated to manufacture the intermediates like MCAA, TCAC. The Site is strategically located adjacent to our Chlor-alkali plant. We are now one of the top 5 largest producers of this herbicide in the world based on installed production capacity. And with the shift in the product mix towards herbicides in India, this new project is expected to yield good results for the Division in coming five years.

The recently set up formulation plant at GIDC Panoli, Ankleshwar has also started performing at its peak capacity, despite issues of labor shortage.

At the domestic front we have our own sales force in Andhra Pradesh, Maharashtra, Madhya Pradesh, Rajasthan and Gujarat (the list has grown to 13 states now!).

We have consciously developed our intellectual property rights in the form of trademarks for our products, as well as our logo and corporate name. Our logo and name, viz. "MOL" and "Meghmani" have been registered as trademarks. We have 25 trademarks registered and 8 applications are pending.

We believe that our trademarks have significant value and are important to our brand building efforts and helpful in the marketing of our products.

In recent years, we have focused on increasing the number of product registrations in countries such as United States of America, Australia, Brazil, Bangladesh, China, Mexico, Malaysia, Turkey, Taiwan, etc. We currently hold 80 registrations worldwide and have more than 387 registrations pending in over 50 countries around the world. Being a manufacturer and distributor of existing molecules with expired patents, we consider registration as crucial and considerable investments are focused on registrations. Our focus on research and development has also led to an increase in the number of products developed, which has translated, into numerous applications for registrations for our products. We have 150 registration of Central Insecticides Board (CIB) of India.

PIGMENT: - INDUSTRY OVER VIEW

The worldwide market for inorganic, organic and special pigments had a total volume of around 7.4 million tons in 2006. At growth rates of 2.9% p.a., this volume will rise to 9.8 million tons by 2016. Asia has the highest rate on a quantity basis followed by Europe and North America. In 2006, a turnover of US\$ 17.6 billion was reached mostly in Europe, followed by North America and Asia.

This is expected to reach US\$ 27.8 billion by 2016, corresponding to its annual growth rate of 5%. Although organic pigments account for only 5% of all pigments based on quantity, they cover 28% when based on their value.

Demand and production of pigments are continually shifting from the USA, Western Europe and Japan to the emerging markets of Asia, especially China and India. This is mainly because of lower wages. Within emerging countries, especially India and China, themselves, domestic demand for consumer products containing pigments is growing. While a few large suppliers of pigments dominate the relatively saturated markets of industrialized countries, Asian markets remain fragmented.

Almost all industrial sectors need pigments, with printing ink, paints, lacquers, and plastics all being growth markets for pigments. More and more manufacturers use new colours and visual effects for their packaging and advertising material. In addition, sectors such as cosmetics, paper, textile, building material, ceramics, and glass make great demands on pigments to add more brilliance to their products. The textile industry increasingly substitutes pigments for dyes.

ORGANIC PIGMENTS SUBSTITUTE INORGANIC PIGMENTS

Surpassing growth in organic pigments will continue as these pigments offer a wide colour spectrum and increasingly supplant pigments on a heavy metal basis. Today many environmental regulations restrict the use of lead, chromium, and cadmium. This is also forcing manufactures to replace inorganic pigments and increase usage of organic pigments. (Source: www.ceresana.com)

PIGMENT: - OVER VIEW OF THE COMPANY

We have two manufacturing facilities for the manufacture of our Pigment products, one located in Vatva, Ahmedabad where we manufacture our Pigment Green 7 products and the other located in Panoli, near Ankleshwar where we manufacture our CPC Blue and Pigment Blue 15 products.

There are competitors in India having similar products as our Company. We compete against our competitors on our quality, technical competence, backward integration, logistics facilities, after sales service and customer relationships.

The Company specializes in the manufacture of green and blue pigment products that span multiple applications such as printing inks, plastics, paints, textiles, leather and rubber. Its pigment customers comprise mainly MNCs who are leading players in their respective industries.

The production process of our Pigments business is vertically integrated. We manufacture CPC Blue which is the primary raw material required in the manufacture of our Pigment Green and Pigment Blue products. Such vertical integration allows us to effectively manage our raw materials costs and also ensures consistent quality of inputs.

Performance of Pigment business (Divisionwise)

Particulars	31.03.2011 Rs. in Mn	31.03.2010 Rs. in Mn
Domestic		
Pigment - Vatva	56.64	45.75
Pigment - Panoli	852.87	598.81
Total	909.51	644.56
Export		
Pigment - Vatva	942.73	662.48
Pigment - Panoli	1697.68	1507.65
Total	2640.41	2170.13
Grand Total	3549.92	2814.69

STRATEGY OF THE COMPANY:-

We are one of the largest Pigment manufacturing sites in the world. We would like to offer specialized products to our customers at the best possible price leveraging on economies of scale. Our mid-term focus is to introduce range of Pigments for ever growing coatings and plastics industries.

We are also benefiting from growth of India and equally focusing on Indian domestic market. Indian market is expected to grow double digit for consumption of Paint, Plastics and Inks. To serve our newly added domestic customers, we have employed local staff supported by warehousing facilities at the strategic locations.

PIGMENT - EXPANSION:-

The Company had applied to Gujarat Industrial Development Corporation (GIDC) Ankleshwar for allotment of additional land of 100,000 Square Meter at GIDC Dahej - II, Dahej, District Bharuch. GIDC has allotted the land and the physical possession will be handed over shortly. The Company is evaluating the option to set up new products of Pigment or derivatives of Basic Chemicals. The members will be informed once the plan is crystallized.

PIGMENT - EXPANSION THROUGH SUBSIDIARY:

Meghmani Chemtech Limited (Meghmani Chemtech) is a Subsidiary of the Company (MOL). The Company holds 97 % of Equity Shares of Meghmani Chemtech.

Meghmani Chemtech has physical possession of Plot No. Z 31 & Z 32 admeasuring 86228.51 Square Meters situated at Dahej SEZ Limited, Dahej, Bharuch

Meghmani Chemtech is setting up manufacturing facility to produce viz., CPC Blue (Crude) - 500 MT, Beta Blue - 250 MT. and Alpha Blue - 100 MT per month. The estimated cost of the project is Rs. 600 Mns, which is to be financed by MOL. The Project is to be commissioned by April, 2012. The projected turn over in FY 2013 (full year of operation) will be Rs. 2400 Mns.

* * * *

CORPORATE GOVERNANCE

1. The Company's Philosophy On Code Of Governance

The Directors and Management of the Company and its subsidiaries are 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 our stakeholders (Investors, Customers, Suppliers and Government) and Singapore Depository Shareholders.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchange.

The Company has complied with the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement. The Company has also complied with Corporate Governance requirements under Singapore Listing requirements. The Board of Directors presents a composite Corporate Governance report on the compliance of the Indian and Singapore Listing requirements in the following paragraphs.

2. Board of Directors

(i) Composition :-

The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, finance, legal and corporate administration. As on 31 March, 2011, the total strength of Board of Directors consists of 12 directors, comprising Mr. Jayanti Patel (1) an Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel are (2) Managing Directors, Mr. Ramesh Patel, Mr. Anand Patel and Mr. Ashvin Raythatha are (3) Executive Directors and Mr. Chinubhai R Shah, Mr. Balkrishna T Thakkar, Mr. J Vishwanathan, Mr. Chandan Bhattacharya, Mr. K H Patel and Mr. A G Shaik are (6) Non Executive Independent Directors.

The Composition of Board is complying with the requirements of Clause 49 (l) (A) of Indian Listing requirements as more than 50% of the directors are non executive Independent and also complying with Singapore Stock Exchange Listing Guidance Note 2.1 of the Code requirements. The Singapore Stock Exchange has exempted the Company from the requirements of two resident directors on the Board.

(ii) (iii) & (iv) Attendance, Other Directorships & Number of other Boards and Board Committee in which Director is a member or Chairman:-

During the financial year ended on 31 March, 2011 four meetings of the Board of Directors were held on: 28.05.2010; 30.07.2010; 29.10.2010 and 28.01.2011. The last Annual General Meeting was held on 28 July, 2010

The details of attendance of Directors at the Board Meeting during the year and at Annual General Meeting and also the number of other Directorship, membership and office of Chairman of Board Committees as on 31 March, 2011 are given below:

Contd...

Name of Director	Position	Board Meeting attended during the year	AGM Attended	Directorship in other Public Limited Companies	Committee Membership of other Companies	Board/ Committee Chairmanship of other Companies
Mr. Jayanti Patel	Executive Chairman	4	Yes	4	Nil	Nil
Mr. Ashish Soparkar	Managing Director	4	Yes	5	Nil	Nil
Mr. Natwarlal Patel	Managing Director	4	Yes	8	Nil	Nil
Mr. Ramesh Patel	Executive Director	3	Yes	6	Nil	Nil
Mr. Anand Patel	Executive Director	4	Yes	5	Nil	Nil
Mr. Ashvin Raythatha*	Executive Director (Int. Mkt.)	3	No	Nil	Nil	Nil
Mr. Chinubhai R Shah	Independent	4	No	14	5	3
Mr. Balkrishna T Thakkar	Independent	4	Yes	Nil	Nil	Nil
Mr. Jayaraman Vishwanathan	Independent	2	No	2	Nil	Nil
Mr. Chandan ** Bhattacharya	Independent	3	No	7	3	2
Mr. K H Patel	Independent	1	No	1	Nil	Nil
Mr. A G Shaik	Independent	1	No	Nil	Nil	Nil

* Mr. Ashvin Raythatha resigned as Director w.e.f. 09 May, 2011

** Mr. Chandan Bhattacharya resigned as Director w.e.f. 21 May, 2011

As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies or membership of committees of the Board (Audit/Investor Grievance Committees) in excess of 10 or chairmanship of committees of the Board, as aforesaid in excess of 5.

2.1 **Board Meetings:-**

Minimum four Board meetings are held in each year. Apart from the four prescheduled Board meetings, the meetings would also be convened to address specific needs of the Company.

The Company in consultation with the Directors prepares and circulates a tentative Schedule for the meeting of the Board and Committee in order to facilitate the Directors to plan their schedules.

The meetings are usually held at Corporate office of the Company situated at Meghmani House, Shreenivas Society, Vikas Gruh Road, Paldi, Ahmedabad.

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 following are generally tabled for information and review of the Board.

- ❖ Quarterly results of the Company and operating divisions or business segments
- ❖ Minutes of meeting of Audit Committee
- ❖ Materially important show cause Notice, demand prosecution and penalty notices.
- ❖ Any materially significant effluent or pollution problems.
- ❖ Any material relevant default in financial obligations to and by the Company or substantial non payment by the customer for goods sold.
- ❖ Details of any joint venture or collaboration agreement.
- ❖ Transaction that involves substantial payment towards goodwill, brand equity or intellectual property.
- ❖ Significant labour problem and their proposed solutions. Any significant development on the Human resources /Industrial relations front like signing of a wage settlement.
- ❖ Foreign exchange exposures and steps taken by management to limit the risks.
- ❖ Any fatal or serious accident.
- ❖ Any issue which involves Public liability
- ❖ Sale of material nature of investments, subsidiary assets which are not normal course of business.
- ❖ Non compliance of any regulatory, statutory or listing requirements

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.

The Board periodically reviews all statutory compliance reports of all laws applicable to the Company.

3. **Audit Committee**

3.1 Composition of Committee:-

The Audit Committee comprises of three independent directors. Mr. Balkrishna T Thakkar is the Chairman of the Committee. The Company Secretary, Mr. K. D. Mehta, acted as the Secretary of the Committee.

3.2 Meeting and Attendance :-

The Committee met four times during the year on 28.05.2010; 30.07.2010; 29.10.2010 and 28.01.2011

Name of the Director	Status	Qualification	No. of meetings attended
Mr. Balkrishna T. Thakkar	Chairman - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	3
Mr. Chinubhai R. Shah	Independent Director	MALLM	4
Mr. Jayaraman Vishwanathan	Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	2

In addition to the above, the Committee meetings were also attended by, Vice President (Finance), Statutory Auditors and Internal Auditors.

The Committee acts as a link between the management, auditors and the Board and has full access to financial information.

3.3 Terms of Reference :-

The terms of reference of the Audit Committee are as set out in Clause 49 of the Listing Agreement with the Stock Exchanges. The Audit Committee meet periodically to perform the following functions:

- (a) to review the audit plan and Company's external auditors report;
- (b) to review the co-operation given by the Company's officers to the external auditors;

- (c) to review the financial statements of the Company before their submission to the Board;
- (d) to review the scope and results of internal audit procedures;
- (e) to nominate external auditors for re-appointment;
- (f) to review interested person transactions; and
- (g) to generally undertake such other functions and duties as may be required by statute or by the Listing Manual, and by such amendments made thereto from time to time.

4. **Remuneration Committee**

4.1 Composition of Committee:-

The remuneration committee comprises of two independent directors and one Executive Director. Mr. Chinubhai R Shah is the Chairman of the Committee. The Company Secretary, Mr. K. D. Mehta, acted as the Secretary of the Committee..

4.2 Meetings and attendance during the year:-

The Committee met on 28th May, 2010 particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings attended
Mr. Chinubhai R Shah	Independent Director	1
Mr. Balkrishna T Thakkar	Independent Director	1
Mr. Natwarlal Patel	Member	1

4.2 Terms of Reference:-

The role of the Remuneration Committee is to facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.

The Remuneration Committee will recommend to the Board a framework of remuneration for the Directors and determine specific remuneration packages for each Director.

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. Each member of the Remuneration Committee shall abstain from voting any resolutions in respect of his remuneration package

4.3 Remuneration Policy:-

The Non Executive Directors of the Company are paid by way of sitting fees. There is no other pecuniary relationship or transaction by the Company with Non Executive Directors.

The Company pays remuneration to its Executive Chairman, Managing Directors and Executive Directors by way of Salary, perquisites and performance based bonus. The remuneration is approved by the Board and is within the over all limits approved by the shareholders.

4.4 Details of remuneration to all the Directors:-

Particulars of Remuneration of Directors for the year ended 31st March, 2011:

Name of Director	Salary & Perquisites Rs.	Performance bonus in Rs.	Total in Rs.
Mr. Jayanti M Patel	8,075,013	4,800,000	12,875,013
Mr. Ashish Soparkar	8,075,013	4,800,000	12,875,013
Mr. Natwarlal Patel	8,075,013	4,800,000	12,875,013
Mr. Ramesh M Patel	7,106,810	3,196,000	10,302,810
Mr. Anand I Patel	7,106,810	2,476,000	9,582,810
Mr. Ashvin R Raythatha	2,727,360	2,72,736	3,000,096
Total	41,166,019	20,144,738	61,510,755

Particulars of sitting fees of Directors for the year ended 31st March 2011:

Name of Independent Director	Sitting Fees Rs.
Mr. Chinubhai R. Shah	2,25,000
Mr. Balkrishna T. Thakkar	1,25,000
Mr. Jayaraman Vishwanathan	60,000
Mr. Chandan Bhattacharya	60,000
Mr. K H Patel	45,000

5. Shareholders'/Investors' Grievance and Share Transfer Committee

5.1 Composition of Committee:-

The Committee comprises of two Independent Directors and One Executive Director. Mr. Chinubhai R Shah is the Chairman of the Committee. The Company Secretary, Mr. K. D. Mehta, acted as the Secretary of the Committee.

5.2 Meetings and attendance during the year:-

The Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee of our Board were held on 28.05.2010; 30.07.2010; 29.10.2010 and 28.01.2011

Name of the Director	Status	No. of Meetings held
Mr. Chinubhai R Shah	Chairman	4
Mr. Balkrishna T Thakkar	Independent Director	4
Mr. Ashish Soparkar	Member	4

5.3 Terms of Reference:-

The current terms of reference of the Committee are as follows:

- i. To allot the equity shares of the Company,
- ii. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- iii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- iv. Issue of duplicate / split / consolidated share certificates;
- v. Allotment and listing of shares;
- vi. Review of cases for refusal of transfer / transmission of shares and debentures;
- vii. Reference to statutory and regulatory authorities regarding investor grievances;
- viii. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

5.4 Details of shareholders' Complaints

Detail of Complaints received	Nos.
Number of Shareholders' Complaints received From 01.04.10 to 31.03.2011	0
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2011	0

6. Nominating Committee**6.1 Composition of Committee:-**

The Nominating Committee comprises of two Independent - Non Executive Director and one Executive Director. Mr. Chinubhai R Shah is the Chairman of the Committee. The Company Secretary, Mr. K. D. Mehta acted as the Secretary of the Committee.

6.2 Meetings and attendance during the year:-

The Committee met on 28.05.2010. The particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings held
Mr. Chinubhai R Shah	Chairman	1
Mr. Chandan Bhattacharya	Independent Director	1
Mr. Jayanti Patel	Member	1

6.3 Terms of Reference :-

The Nominating Committee aims at establishing a formal and transparent process for the appointment and re-election of Directors.

The Nominating Committee is responsible for:

- (i) re-nomination of our Directors having regard to the Director's contribution and performance;
- (ii) determining annually whether or not a Director is independent; and
- (iii) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Nominating Committee will decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term shareholders' value.

The Chairman of Nominating Committee has already initiated the process for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee shall abstain from voting to any resolutions in respect of the assessment of his performance or re-nomination as Director.

Contd...

7. General Body Meeting:-

Last three Annual General Meetings of the Company were held as given below;

Financial Year	Category-Date and Time	Venue	Special - Resolutions passed
2008	Annual General Meeting 30 July, 2008 at 3 p.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Appointment of Mr. Chandan Bhattacharya as Independent Director
2009	Annual General Meeting 31 July, 2009 at 3 p.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Appointment of Mr. K H Patel as Independent Director
2010	Annual General Meeting 28 July, 2010 at 10.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Appointment of Mr. Akthar Shaik as Independent Director 2. Re-appointment of Mr. Ashvin Raythatha as Executive Director (International Marketing) 3. Revision in Salary of Ms. Deval Soparkar 4. Appointment of Mr. Ankit Patel - Manager Agro Business

No Special resolution was put through Postal Ballot in the last AGM.

8 Disclosures :-**8.1. Disclosure of Material Transactions:-**

There were no materially significant transactions with promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. A disclosure of all related party transactions has been presented in the Schedule No. 23 Notes to the accounts of this Annual Report.

8.2. Instances of Non Compliance :-

The Company has complied with the necessary requirements and no penalties or strictures were imposed on the Company by any Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the financial year 2010-2011.

8.3. Non Mandatory requirements:-

The Company is complying with all the mandatory requirements Under Section 49 of the Listing Agreement. In addition the Company has also adopted Non Mandatory requirements.

8.4. Accounting Treatments :-

The Company has adopted accounting treatments which are prescribed by the Accounting Standard.

8.5. Corporate Governance of Subsidiaries :-

The subsidiaries of the Company are managed by experienced Board of Directors. The minutes of all the subsidiaries are reviewed by the Board of Directors.

8.6. CEO/CFO Certification:-

The Managing Director and Chief Financial Officer Mr. Ashish Soparkar, have certified to the Board with respect to the financial statement, internal controls and other matters as required by Clause 49 of the Listing Agreement with the Stock Exchanges.

8.7. Auditors' Certificate on Corporate Governance:-

The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance prescribed under Clause 49 of the Listing agreement with Stock Exchanges which is attached herewith.

8.8. Report on Corporate Governance:-

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

8.9. Code of Conduct :-

The Company has 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.

8.10. Management Discussion and Analysis Report:-

This is given as the separate chapter in the Annual Report.

8.11. Insider Trading :-

All the directors and senior management personnel have affirmed compliance with the Corporate Code laid down by the Board of Directors of the Company. The Executive Chairman, the Managing Directors and Company Secretary have made the necessary certification to the Board of Directors of the Company.

8.12. Disclosures regarding Re-appointment of Directors :-

As per the Articles of Association of Meghmani Organics Limited, 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.

8.13. Equity Shares in the Suspense account :-

As per Clause 5A (I) of the Listing Agreement, 2100 Equity Shares of Rs. 1/- each are lying in the suspense account which were issued pursuant to the public issue of Equity Shares to list Equity Shares on Indian Stock Exchanges.

The Voting rights on the shares standing in the suspense account as on 31 March, 2011 shall remain frozen till the rightful owner of such share claims the shares.

9 Means of Communication

9.1 The Unaudited quarterly/half yearly financial statements are announced within one month of the end of the quarter. The aforesaid financial statements 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.

9.2 The audited annual results are announced within sixty days from the end of the last quarter i.e. 31st March to meet with the requirements of Singapore Listing requirements. The audited annual financial results were announced on 27 May, 2011. The aforesaid audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. These results are then 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.

9.3 The presentations prepared by the Company are also submitted to the Singapore stock Exchange and placed on the website www.meghmani.com

9.4 Official news releases, presentation made to media etc. are displayed on the Company's website www.meghmani.com. News Releases are also sent to Stock Exchanges.

9.5 Reminders for Unpaid dividend and unclaimed IPO refunds are sent to the shareholders as per records every year.

10 Additional Shareholders' Information :-

I. Annual General Meeting :-

Date	Friday, 29 July, 2011
Venue	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad
Time	10.30 a..m.
Last date of receipt of Proxy	Wednesday 27 July, 2011 (before 10.30.a..m.)
Posting of Annual Report	04th July, 2011

II. Financial year :-

The financial year of the Company is from 01 April to 31 March. The Board meetings for approval of Quarterly financial results during the year ended 31 March, 2011 were held on the following dates:-

Financial Calendar 2010-2011

First Quarter Results	30 July, 2010
Second Quarter and Half yearly results	29 October, 2010
Third Quarter Results	28 January, 2011
Fourth Quarter & Annual Results	27 May, 2011

Financial Calendar 2011-2012

First Quarter Results	22 July, 2011
Second Quarter and Half yearly results	24 October, 2011
Third Quarter Results	27 January, 2012
Fourth Quarter & Annual Results	25 May, 2012

III. Date of Book Closure :-

Book Closure dates

Monday 18 July, 2011 to Friday 29 July, 2011

IV. Dividend payment :-

The Board of Directors at their meeting held on 27th May, 2011 recommended a final dividend of Rs. 0.40 per equity shares of the face value of Rs. 1/- each for the financial year 2010-2011, subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid within the prescribed statutory period.

V. Listing details of Equity shares:-

Name of Stock Exchange	Stock Code
National Stock Exchange of India Limited	MEGH.NS
Bombay Stock Exchange Limited	532865
Singapore Stock Exchange	MEGH.SI

The listing fee for the financial year 2010-2011 has been paid to the above stock exchanges.

VI. Stock code :-

The ISIN allotted to the Company's equity shares of face value of Rs. 1/- each under the depository system is **INE974H01013**

VII. Share Market Price data:-

The Monthly high and Low prices and volumes of Meghmani Organics Ltd. (MOL) shares at National Stock Exchange (India) Limited (NSE) and Bombay Stock Exchange Limited (BSE) for the year ended on 31 March, 2011 are as under :-

National Stock Exchange :-

Month	MOL Share Price			No. of shares traded during the month on NSE	Turn Over Rs.in lacs
	High Rs.	Low Rs.	Close Rs.		
April - 2010	19.40	16.00	17.56	10170991	1840.71
May - 2010	17.50	15.25	16.10	3161881	516.04
June - 2010	17.75	15.10	16.95	5245980	879.28
July - 2010	18.25	16.70	16.83	5343231	925.03
August - 2010	17.55	15.20	15.40	4271174	712.55
September - 2010	21.90	15.55	20.20	23148174	4523.06
October - 2010	22.60	19.50	21.47	14879223	3165.83
November - 2010	21.75	15.50	16.99	7681372	1495.30
December - 2010	18.90	15.50	17.15	4642966	795.67
January - 2011	18.50	14.65	15.00	3405716	571.28
February - 2011	15.15	11.55	13.75	2677023	371.55
March - 2011	14.45	13.00	13.95	3220590	438.19

Bombay Stock Exchange :-

Month	MOL Share Price			No. of shares traded during the month on BSE	Turn Over Rs.in lacs
	High Rs.	Low Rs.	Close Rs.		
April - 2010	19.45	16.00	17.35	10107390	1828.73
May - 2010	17.50	15.25	16.10	2775055	453.41
June - 2010	17.70	15.10	16.95	4106563	688.06
July - 2010	18.30	16.60	16.65	4784506	827.31
August - 2010	17.55	15.30	15.45	3284625	548.41
September - 2010	21.90	15.55	20.20	23680858	4606.45
October - 2010	22.75	19.00	21.05	13531504	2869.33
November - 2010	21.80	15.40	17.25	6171629	1205.58
December - 2010	18.65	15.50	17.10	3115491	532.98
January - 2011	18.20	14.55	15.10	2540711	426.94
February - 2011	15.10	11.50	13.80	1687284	235.31
March - 2011	14.70	12.97	13.97	2369534	322.43

VIII. Registrar and Transfer Agent :-

The Company in compliance with SEBI guidelines has appointed Linkintime India Private Limited as a common share transfer agent for Physical and Electronic form of shareholding.

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

LBS Road, Bhandup (West),

Mumbai 400 078. India.

Tel: +91 22 2596 0320

Fax: +91 22 2596 0329

IX. Share Transfer System :-

Job of Registrar and Transfer Agents is carried out by Linkintime India Private Limited, Mumbai. Transfer and dematerialization of shares are processed by Linkintime India Private Limited, Mumbai and are approved by Shareholders' / Investors' Grievance and Share Transfer Committee.

X. Distribution of Shareholding: 31 March, 2011

Category	Shareholders		Shares of Re. 1/- each	
	Number	Percent	Number	Percent
1-500	48787	74.45	12070798	4.75
501-1000	8950	13.66	7881012	3.10
1001-2000	4017	6.13	6451334	2.54
2001-3000	1309	2.00	3468714	1.36
3001- 4000	518	0.79	1898494	0.75
4001- 5000	594	0.91	2873764	1.13
5001-10000	705	1.08	5346596	2.10
10001- & ABOVE	639	0.98	214323499	84.27
Total	65519	100.00	254314211	100.00

Distribution of Shareholding: 10 June, 2011

Size of SDS	SDS Shareholders		No. of SDS of Re. 0.50/- each	
	Number	Percent	Number	Percent
1 - 999	5	0.77	1,320	-
1,000 - 10,000	266	41.11	1,673,500	1.58
10,001 - 1,000,000	365	56.42	25,940,080	24.42
1,000,001 & ABOVE	11	1.70	78,618,400	74.00
Total	647	100.00	106,233,300	100.00

TWENTY LARGEST SINGAPORE DEPOSITORY SHARES ("SDS") HOLDERS AS AT 10 JUNE 2011

Sr. No.	NAME OF SDS HOLDER	NO. OF SDS	%
1	ELECTRA PARTNERS MAURITIUS LIMITED	28,389,320	26.72
2	CITIBANK NOMINEES SINGAPORE PTE LTD	11,559,080	10.88
3	WATERWORTH PTE LTD	10,000,000	9.41
4	HSBC (SINGAPORE) NOMINEES PTE LTD	8,521,000	8.02
5	RAFFLES NOMINEES (PTE) LTD	6,893,000	6.49
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,738,000	4.46
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,687,000	3.47
8	SEE BENG LIAN JANICE	1,359,000	1.28
9	KIM ENG SECURITIES PTE. LTD.	1,215,000	1.14
10	TEO CHIANG SONG	1,200,000	1.13
11	PHILLIP SECURITIES PTE LTD	1,057,000	0.99
12	DAIWA SECURITIES MKTS SINGAPORE LIMITED	1,000,000	0.94
13	LEOW SAU CHING HELENA	1,000,000	0.94
14	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	800,000	0.75
15	BANK OF SINGAPORE NOMINEES PTE LTD	704,000	0.66
16	LEOW ON CHU	700,000	0.66
17	LIM LENG CHYE	700,000	0.66
18	TAN HENG WAN	673,000	0.63
19	KO BENG SOO	650,000	0.61
20	CHAN SIEW LIAN ANGELINE	649,000	0.61
	TOTAL	85,494,400	80.45

Share holding pattern: - 31.03.2011

Category	No. of shares	Value of shares	%
OTHER BODIES CORPORATE	7192167	7192167	2.83
CLEARING MEMBER	1023481	1023481	0.40
DEPOSITORY RECEIPTS	53116650	53116650	20.89
FOREIGN COMPANY	5495500	5495500	2.16
FINANCIAL INSTITUTIONS	50980	50980	0.02
FOREIGN INST. INVESTORS	3822349	3822349	1.50
MUTUAL FUND	984100	984100	0.39
NATIONALISED BANKS	165000	165000	0.07
NON RESIDENT INDIANS	1431301	1431301	0.57
NON RESIDENT (NON REPATRIABLE)	158874	158874	0.06
PUBLIC	54988681	54988681	21.62
PROMOTORS	87973535	87973535	34.59
RELATIVES OF DIRECTORS	37901390	37901390	14.90
TRUSTS	10203	10203	0.00
GRAND TOTAL	254314211	254314211	100.00

Dematerialization of Shares and Liquidity Distribution: 31.03.2011

Share Capital	No. of shares	%
Listed Capital	254314211	100.00
Held in Dematerialized form :-		
Central Depository Limited	20550116	8.08
National Depository Limited	232158920	91.29
Held in Physical Form	1605175	0.63
Total	254314211	100.00

XI. Independent Directors shareholding:-

Particulars of Equity Shareholding of Independent Directors: - 31.03.2011:

Name of Independent Director	No. of Equity Shares of Rs. 1/- each
Mr. Chinubhai R. Shah	2000
Mr. Balkrishna T. Thakkar	2000
Mr. Jayaraman Vishwanathan	Nil
Mr. Chandan Bhattacharya	Nil
Mr. K H Patel	Nil
Mr. A G Shaik	Nil

XII. Outstanding Singapore Depository Receipts :

153,165,300 Singapore Depository Shares were issued under Depository mechanism on 10th August, 2004 at a 28 Cent per SDS of Rs. 0.50 paisa on Singapore Stock Exchange.

As on 31 March, 2011 the number of SDS outstanding are 106,233,300. The Closing SDS price as on 31 March, 2011 was 12 Cent.

There is no conversion date fixed for SDS in to Equity Shares. There will be no impact on conversion of SDS in to equity as the conversion takes place under two way fungibility guide lines issued by Reserve Bank of India.

XIII. Location of Manufacturing facility:-

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

I. Investor Correspondence :-

All enquiries, clarification and correspondence should be addressed to the Company Secretary and Compliance Officer:-

Mr. K D Mehta - V P (Company Affairs)

Meghmani Organics Limited
Meghmani House, Shreenivas Society, Vikasgruh Road,
Paldi, Ahmedabad -380 007
helpdesk@meghmani.com

DECLARATION BY MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Clause 49(I)(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the financial year ended on 31 March, 2011.

27 May, 2011
Ahmedabad

For Meghmani Organics Limited
Ashish Soparkar
Managing Director

AUDITORS CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of the
Meghmani Organics Limited,

We have examined the compliance of conditions of Corporate Governance by Meghmani Organics Limited for the year ended 31 March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The Compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof. 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 explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned clause of listing agreement.

We have been explained that no investor grievances remaining unattended/pending for a period exceeding one month as on 31 March, 2011.

We further state that such compliance is neither an assurance as to future viability of the Company, the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date : 27 May, 2011

FOR M/S. PATEL & KHANDWALA
Chartered Accountants
(M M Khandwala)
Partner
Membership Number 32472
FRN No.107647W

AUDITORS' REPORT

To,
**The Members of
Meghmani Organics Limited
Ahmedabad.**

We have audited the attached Balance Sheet of MEGHMANI ORGANICS LIMITED, as at 31st March, 2011 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and (Amendment) Order 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraphs 4 and 5 of the said order is annexed thereto.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of the books of the Company;
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standard referred to in Section 211 (3C) of the Companies Act, 1956
- e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the account read in conjunction with the notes and schedules attached thereto, give the information required under the Companies Act, 1956 in the manner so required and present a true and fair view :-
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011
 - ii. In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date AND
 - iii. In case of Cash Flow statement, of the cash flows for the year ended on that date.

**Place: Ahmedabad
Date: 27.05.2011**

**For M/S PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
(M. M. KHANDWALA)
PARTNER
Membership No. 32472**

ANNEXURE TO AUDITORS' REPORT

- i. (a) The Company has maintained division wise records of fixed assets under SAP to show full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the Management during the year. As explained to us no material discrepancies were noticed on such verification.
- (c) The Company has not disposed of substantial part of the fixed assets during the year.
- ii. (a) The inventories have been physically verified during the year by the management. Inventory with third parties at year end have been verified by the management with reference to confirmations or statement of accounts or correspondence of third parties or subsequent receipt of the goods.
- (b) According to the information and explanations given to us and in our opinion the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of the inventories and no serious discrepancies have been noticed on physical verification of inventories as compared to the book record.
- iii. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (a) The Company has given loan to Four Subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 4009.58 lacs and year-end balance is Rs. 3678.59 lacs.
 - (b) In our opinion and according to the information and explanations given to us, the Company has charged interest on Loan given to PT Meghmani Organics Indonesia, Meghmani Europe BVBA and Meghmani Energy Limited. The other Loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - (c) The said interest free loan given to the Subsidiaries of the Company is repayable on demand.
 - (d) In respect of the loan given by the Company, the same is repayable on demand and therefore the question of overdue amount does not arise.
 - (e) The Company has not taken unsecured loans from the companies/firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore Sub-clause (f) and (g) are not applicable.
- iv. In our opinion and according to the information and explanations given to us during the course of our audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods. We have not observed any major weaknesses in internal control system established by the Company.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for items stated to be of specialized nature, where no comparison is possible.

- vi. The Company has not accepted deposits from the public and therefore the directives issued by the Reserve Bank of India and provisions of Section 58-A and Section 58 AA or any other relevant provisions of the Companies Act 1956 and rules framed there under do not apply to the Company.
- vii. The Company has appointed a firm of Chartered Accountants as Internal Auditors. In our opinion the system of internal audit is commensurate with size and nature of the business of the Company.
- viii. The Central Government has prescribed maintenance of Cost records under section 209(1)(d) of the Companies Act 1956, in respect of insecticides product of the Company. We have broadly reviewed the books of accounts maintained by the Company, in this connection and are of the opinion that prima facie records have been maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including, Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues as applicable to it with the appropriate authorities.

Though there has been delay in some cases of Provident Fund and Professional Tax payments, which were not in arrears at the end of the year. According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, VAT, Wealth tax, Custom Duty, Service Tax and Excise Duty, were outstanding at the period end for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, the statutory dues which have not been deposited on account of disputes are given below.

Name of Statute	Nature of Dues	Rs. in Lacs	Forum where Dispute is pending
Income Tax Act.	Income Tax / Penalty for Various Financial. Years.1999-2000 to 2006-2007	877.78	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty (Financial Year 2007-2008 to 2010-2011)	659.93	Commissioner of Central Excise / Director General of Central Excise / Audit team of Central Excise / Central Excise Service tax Appellate Tribunal
Labour Laws	Compensation Claims	105.79	Labour Court
Value Added Tax	Input Tax Credit	45.83	The Joint Commercial Tax Commissioner Appeal 1
Professional Tax	Employees Professional Tax	0.40	Disputed between Local Authority & Sales Tax Department

- x. In our opinion, the Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses in the immediately preceding financial year.

- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or Debenture holders.
- xii. According to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion the Company is not a chit fund or a nidhi /mutual benefit fund/society. The provisions of nidhi / mutual benefit fund/societies are not applicable to the Company.
- xiv. In our opinion the Company is not dealing in or trading in shares, securities debentures and other investments hence the provisions of clause 4 (xiv) are not applicable.
- xv. According to information and explanation given to us, the Company has given guarantee for loans taken by Subsidiary Company from Bank, The terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- xvi. The Company has obtained fresh term loan which is used for the purpose for which it is obtained.
- xvii. The Company has not utilized any funds raised on short term basis for long term investments.
- xviii. According to information and explanations given to us, the Company has not made any preferential allotment of any shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix. According to information and explanations given to us, the Company has issued debentures during the year ended on 31st March, 2011. The Company has created necessary security for the same.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year ended on 31st March, 2011.

**For M/S PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
(M. M. KHANDWALA)
PARTNER
Membership No. 32472**

Place: Ahmedabad

Date: 27.05.2011

Balance Sheet as at 31st March 2011

Particulars	Sch. No.	Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	254,314,211		254,314,211
Reserves and Surplus	2	5,078,177,264		4,724,598,048
			5,332,491,475	4,978,912,259
Loan Funds				
Secured Loans	3	2,195,046,253		1,357,244,902
Unsecured Loans	4	1,048,442,610		1,127,977,740
			3,243,488,863	2,485,222,642
Deferred Tax Liability			131,445,767	117,830,967
TOTAL			8,707,426,105	7,581,965,868
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5	3,391,508,424		2,769,843,268
Less: Depreciation		1,478,385,622		1,312,505,780
Net Block		1,913,122,802		1,457,337,488
Capital Work in Progress		471,860,069		433,319,072
			2,384,982,871	1,890,656,560
Investments	6		1,476,689,463	1,303,558,854
Current Assets, Loans and Advances				
Inventories	7	1,292,574,698		1,209,156,121
Sundry Debtors	8	3,255,773,462		3,236,968,555
Cash and Bank Balances	9	106,534,510		153,830,632
Loans and Advances	10	1,824,696,539		1,297,769,829
Total Current Assets		6,479,579,209		5,897,725,137
Less : Current Liabilities & Provisions				
Liabilities	11	1,436,738,134		1,315,625,950
Provisions	12	197,087,304		194,348,733
Total Current Liabilities		1,633,825,438		1,509,974,683
Net Current Assets			4,845,753,771	4,387,750,454
Significant Accounting Policies & Notes forming part of accounts	23			
TOTAL			8,707,426,105	7,581,965,868

As per our attached report of even date
For M/s Patel & Khandwala
Chartered Accountants

(M M Khandwala)
Partner
Membership No. 32472
Place : Ahmedabad
Date: 27.05.2011

K D Mehta
Company Secretary

For and on behalf of the Board

J M Patel - Executive Chairman
A N Soparkar - Managing Director
N M Patel - Managing Director

Place : Ahmedabad
Date : 27.05.2011

Profit and Loss Account for the year ended on 31st March 2011

Particulars	Sch. No.	31.03.2011 Rs.	31.03.2010 Rs.
Income			
Gross Sales		9,066,484,823	7,724,646,659
Less: Excise Duty		619,495,532	432,462,128
Net Sales	13	8,446,989,291	7,292,184,531
Other Income	14	221,684,112	229,063,589
Total Income		8,668,673,403	7,521,248,120
Expenditure			
(Increase)/Decrease in Stock	15	116,305,234	87,613,843
Trading Purchases	16	461,723,933	324,686,824
Raw Materials Consumption	17	5,187,129,531	4,445,591,812
Manufacturing Expenses	18	928,693,361	752,863,782
Employees Emoluments	19	269,956,048	211,926,234
Administration Expenses	20	175,429,669	39,742,374
Selling and Distribution Expenses	21	585,452,114	504,174,881
Financial Expenses	22	194,295,726	136,011,467
Depreciation		203,466,306	170,157,188
Total Expenditure		8,122,451,922	6,672,768,405
Profit Before Exceptional, Extraordinary Items & Tax		546,221,481	848,479,715
Exceptional Items		(56,700,668)	11,196,163
Extraordinary Item		2,500,000	-
Profit Before Tax		600,422,149	837,283,552
Payment & Provision of Current Tax		115,000,000	230,360,000
Deferred Tax		13,614,800	(8,878,353)
Profit After Tax		471,807,349	615,801,905
Profit available for Appropriation		471,807,349	615,801,905
Appropriations :			
Transfer to General Reserve		50,000,000	65,000,000
Proposed Dividend		101,725,684	101,725,684
Dividend Tax		16,502,449	16,895,365
Profit carried forward to Balance Sheet		303,579,216	432,180,856
Significant Accounting Policies & Notes forming part of accounts	23		
Total		471,807,349	615,801,905
Basic and Diluted Earning per share before Extraordinary item of face value of Re. 1 each		1.87	2.42
Basic and Diluted Earning per share after Extraordinary item of face value of Re. 1 each		1.86	2.42

As per our attached report of even date
For M/s Patel & Khandwala
Chartered Accountants

For and on behalf of the Board

(M M Khandwala)
Partner
Membership No. 32472
Place : Ahmedabad
Date: 27.05.2011

K D Mehta
Company Secretary

J M Patel - Executive Chairman
A N Soparkar - Managing Director
N M Patel - Managing Director

Place : Ahmedabad
Date : 27.05.2011

Schedules forming part of the Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 1 - SHARE CAPITAL		
Authorized Share Capital :		
370,000,000 (P.Y. 370,000,000) Equity Shares of Rs. 1/- each	370,000,000	370,000,000
Issued, Subscribed and Paid Up Share Capital :		
254,314,211 (P.Y. 254,314,211) Equity Shares of Rs. 1/- each fully paid up	254,314,211	254,314,211
Total	254,314,211	254,314,211

Of the above :-

- (1) 36,000,000 Equity Shares of Rs. 1/- each issued as Bonus shares by capitalization of Profit and Loss Account in the ratio of 9:14.
- (2) 23,000,000 Equity shares of Rs. 1/- each issued to new stream of promoters on the Right basis.
- (3) 69,362,980 Equity Shares of Rs. 1/- each issued on private placement of Equity to Investors and Core Promoters.
- (4) 18,432,980 Equity Shares of Rs. 1/- each were bought back at the rate of Rs. 8.50 per share during 2001-02.
- (5) 34,700,000 Equity Shares of Rs.1/- each were issued as initial public offer at Singapore under depository system.
- (6) 53,684,211 Equity Shares of Rs.1/- each were issued as initial public offer to list its equity shares on Indian Stock Exchanges.

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 2 - RESERVES AND SURPLUS		
(1) Securities Premium Account		
As per last year accounts	1,565,048,295	1,565,048,295
(2) Capital Reserve		
As per last year accounts	3,122,017	3,122,017
(3) General Reserve		
As per last year accounts	554,270,348	489,270,348
Add : Transferred from Profit and Loss Account	50,000,000	65,000,000
	604,270,348	554,270,348
(4) Capital Redemption Reserve		
As per last year accounts	18,432,980	18,432,980
(5) Profit & Loss Account		
As per last year accounts	2,583,724,408	2,151,543,552
Add : Surplus for the year Brought Forward	303,579,216	432,180,856
	2,887,303,624	2,583,724,408
Total	5,078,177,264	4,724,598,048

Schedules forming part of the Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 3 - SECURED LOANS		
Privately Placed Non - Convertible Debentures :		
10.40% Non - Convertible Debentures redeemable at par in Indian Currency	1,000,000,000	-
Term Loan Facilities from Banks :		
In Foreign currency	490,545,000	628,600,000
Working Capital Facilities from Banks :		
In Indian currency	632,591,953	569,206,940
In Foreign currency	71,909,300	159,437,962
Total	2,195,046,253	1,357,244,902

Notes :

- 1 Working capital facilities from State Bank of India, HDFC Bank Limited and ICICI Bank Limited (Collectively known as Consortium Bankers) are secured by
 - (a) First Pari Passu charge created on 25.05.2005 to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) for Rs. 1553.50 million by way of hypothecation of the entire stock of raw material, work in process, finished goods, stores and spares and receivables now stands modified and increased to Rs. 3430.80 million in favour of State Bank of India (Rs. 1987.40 million), HDFC Bank Limited (Rs. 619.40 million) and ICICI Bank Limited (Rs. 824.00 million).
 - (b) First Pari Passu charge on immovable properties to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) as collateral security for the working capital facilities aggregating Rs. 1553.50 million has been extended to secure working capital facility up to Rs. 3430.80 million.
 - (c) The indenture of the mortgage created on immovable properties are located at :
 - (i) Plot No. 168,180,183 and 184 of GIDC Industrial Estate Vatva Ahmedabad;
 - (ii) Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad
 - (iii) Plot No. 21 & 21/1 of GIDC Industrial Estate Panoli, Taluka Ankleshwar,
 - (iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar
- 2 Corporation Bank has ceased to be the member of Consortium Banks.
- 3 External Commercial Borrowing of USD 11 Million equivalent to Rs. 511.39 million from Standard Chartered Bank, Ahmedabad. The facility is secured by First charge on all the present and Future Moveable Fixed assets financed under term loan including moveable fixed assets held at CH-1-2/A. GIDC Dahej, Taluka Vagra, Bharuch.
- 4 Secured Non-Convertible Debentures of Rs. 100,00,00,000/- are secured by way of pari passu charge on immovable and moveable properties situated at GIDC Vatva, GIDC Panoli, GIDC Dahej, GIDC Ankleshwar and Village Chharodi, Taluka Sanand, District - Ahmedabad

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 4 - UNSECURED LOANS		
Short Term		
From Banks - In Indian Currency	856,684,110	802,452,740
From Banks - In Foreign Currency	191,758,500	325,525,000
Total	1,048,442,610	1,127,977,740

Notes :

- 1 Short Term Loan from banks includes Commercial Papers of Rs. 200,000,000 (Previous Year Nil)

Schedules forming part of the Balance Sheet as at 31st March 2011
Schedule -5
Fixed Assets As on 31st March 2011

Sr. Particulars No.	Gross Block			Depreciation / Amortisation				Net Block				
	Opening	Addition	Deduction	Transfer	Closing	Opening	Provision For the Year	Transfer to Pre Operative Expenses	Deduction	Transfer to/ from other divi	Closing Balance 31.03.2011	Closing Balance 31.03.2010
1 Freehold Land	14,903,516	-	-	-	14,903,516	-	-	-	-	-	14,903,516	14,903,516
2 Leasehold Land	97,500,178	27,810,080	-	-	125,310,258	5,045,518	1,354,090	48,863	-	-	118,861,787	92,454,660
3 Buildings	448,021,588	212,496,677	18,428,342	-	642,089,923	95,775,298	15,854,221	656,013	3,734,599	-	533,538,990	352,246,290
4 Plant & Machinery	1,996,595,385	396,797,944	66,675,404	411,334	2,327,129,260	1,126,470,035	155,119,827	3,190,155	35,059,286	1,345,557	1,076,062,972	870,125,350
5 Furniture & Fixtures	36,204,649	2,908,506	-	-	39,113,155	17,304,036	2,261,309	-	-	-	19,547,810	18,900,613
6 Vehicles	62,457,606	15,688,885	5,831,708	-	72,314,783	16,886,937	6,088,237	14,108	2,167,478	-	51,492,979	45,570,669
7 Other Equipments	43,909,861	3,195,735	17,235	-	47,088,361	22,573,302	4,346,888	34,791	3,746	-	20,137,126	21,336,559
Sub Total	2,699,592,783	658,897,827	90,952,689	411,334	3,267,949,256	1,284,055,126	185,024,572	3,943,930	40,965,109	1,345,557	1,834,545,180	1,415,537,657
Intangible Assets												
1 Intangible Assets	4,093,800	-	-	-	4,093,800	2,456,280	818,760	-	-	-	818,760	1,637,520
2 Licences	66,156,685	53,308,683	-	-	119,465,368	23,410,037	17,622,974	411,090	-	-	78,021,267	42,746,648
Sub Total	70,250,485	53,308,683	-	-	123,559,168	25,866,317	18,441,734	411,090	-	-	78,840,027	44,384,168
Sub Total - A	2,769,843,268	712,206,510	90,952,689	411,334	3,391,508,424	1,309,921,443	203,466,306	4,355,020	40,965,109	1,345,557	1,913,385,207	1,459,921,825
Capital WIP	400,817,683	438,125,903	384,667,254	(411,334)	453,864,998	2,584,337	-	-	976,375	(1,345,557)	262,405	398,233,346
Pre-Operative exp./ (Income)	32,501,389	46,383,272	60,889,590	-	17,995,071	-	-	-	-	-	17,995,071	32,501,389
Sub Total - B	433,319,072	484,509,175	445,556,844	(411,334)	471,860,069	2,584,337	-	-	976,375	(1,345,557)	262,405	430,734,735
Total = A+B	3,203,162,340	1,196,715,685	536,509,533	-	3,863,368,493	1,312,505,780	203,466,306	4,355,020	41,941,484	-	2,384,982,871	1,890,656,560
Previous Year	2,645,277,655	622,908,219	65,023,534	-	3,203,162,340	1,144,090,222	170,157,188	293,765	2,035,395	-	1,890,656,560	1,501,187,433

Note

- Capital WIP includes Capital Advances of Rs. 8770652 (Previous Year Rs. 44066357) & Cost of Construction Material of Rs. 4964037 (Previous Year Rs. Nil)
- Deduction / Adjustments above includes gross block of assets located at the Panoli Unit - II amounting to Rs. 85103746 and related accumulated depreciation of Rs. 38793886 destroyed by fire during the current year. Insurance Claim Receivable amounting to Rs. 46309860 for these assets has been included in "Loans & Advances" Schedule 10 of the financial statement.

Schedules forming part of the Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 6 - INVESTMENTS (At Cost)		
Long Term - Unquoted		
Investment in Subsidiary Companies - Trade		
2,000 Equity Shares of Meghmani Europe BVBA (P.Y. 2,000 Equity Shares)	1,443,433	1,443,433
2,799,600 Equity Shares of Meghmani Energy Limited. of Rs. 10/- each (P.Y. 2,799,600 Equity Shares)	27,996,000	27,996,000
292,500 Equity Shares of Meghmani Organics USA Inc. of USD 1/- each (P.Y. 292,500 Equity Shares)	13,970,150	13,970,150
35,182,333 Equity Shares of Meghmani Finechem Limited. of Rs. 10/- each (P.Y. 35,182,333 Equity Shares)	1,054,489,990	1,054,489,990
730,000 Equity Shares of Meghmani Chemtech Limited. of Rs. 10/- each (P.Y. 3,000 Equity Shares)	7,300,000	300,000
250,000 Equity Shares of PT Meghmani Organics Indonesia. of USD 1/- each (P.Y. 250,000 Equity Shares)	12,330,000	12,330,000
Sub Total (a)	1,117,529,573	1,110,529,573
Quoted Equity Shares fully paid up - Non Trade		
2,000 Equity Shares of Saket Project Limited of Rs. 100/- each (Market Value of the Investment being not available valued at Nominal Value of Rs. 10/- Per Share) (P.Y. 2,000 Equity Shares)	20,000	20,000
Sub Total (b)	20,000	20,000
Unquoted Equity Shares fully paid up - Non Trade		
4 Equity Shares of Alaukik Owners Association of Rs. 100/- each (P.Y. 4 Equity Shares)	400	400
491,585 Equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of Rs. 10/- each (P.Y. 491,585 Equity Shares)	4,915,850	4,915,850
14,000 Equity Shares of Bharuch Environ Infrastructure Ltd. of Rs. 10/- each (P.Y. 14,000 Equity Shares)	140,000	140,000
500 Equity Shares of Green Environment Services Co. Op. Society Ltd. of Rs. 10/- each (P.Y. 500 Equity Shares)	5,000	5,000
8,200 Equity Shares of Lanzorate Finance Limited of Rs. 10/- each (P.Y. 8,200 Equity Shares)	82,000	82,000
30,000 Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- each (P.Y. 30,000 Equity Shares)	300,000	300,000
100 Equity Shares of Sanand Eco Project Ltd. of Rs. 10/- each (P.Y. 100 Equity Shares)	1,000	1,000
2,000 Equity Shares of Suvikas Peoples Co-Op. Bank of Rs. 50/- each (P.Y. 2,000 Equity Shares)	100,000	100,000
10 Equity Shares of Vellard View Premises Co. Op. Society Ltd. of Rs. 50/- each (P.Y. 10 Equity Shares)	500	500
Sub Total (c)	5,544,750	5,544,750

Schedules forming part of the Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 6 - INVESTMENTS (At Cost)		
Government Securities - Trade		
National Savings Certificates	8,000	8,000
Sub Total (d)	8,000	8,000
Other Current Investment - Quoted Non Trade		
- Principal Mutual Fund (P.Y. 606,896 Units)	-	6,076,421
2,738,370 Reliance Money Manager Fund (P.Y. 10,255 Units)	101,160,906	10,268,745
- Canara Robeco Treasury Advantage (P.Y. 1,628,722 Units)	-	20,207,711
- IDFC Money Manager Treasury Plan (P.Y. 5,029,470 Units)	-	50,300,739
- Religare Ultra Short Term Fund (P.Y. 5,015,089 Units)	-	50,312,882
- SBI - SHF - Ultra - Short Term Fund (P.Y. 5,025,988 Units)	-	50,290,033
2,029,299 L & T Freedom Income - STF (P.Y. Nil Units)	20,607,933	-
5,011,683 Birla Sunlife Cash Manager (P.Y. Nil Units)	51,222,933	-
4,082,757 UTI Mutual Fund (P.Y. Nil Units)	48,765,492	-
3,521,568 ICICI Prudential Flexible Income Plan (P.Y. Nil Units)	50,236,638	-
2,010,526 Religare UST Plan (P.Y. Nil Units)	30,543,708	-
3,088,501 ING Treasury Advantage Fund (P.Y. Nil Units)	30,895,204	-
2,015,429 Fidelity Ultra Short Term Debt Fund (P.Y. Nil Units)	20,154,326	-
Sub Total (e)	353,587,140	187,456,531
Total	1,476,689,463	1,303,558,854
Note - (1) - For investment purchased and sold during the year, refer to Note No. 24 of Schedule 23		
Note - (2) - Market Value of Other Investment is Rs. 353,811,635		
Schedule - 7 - INVENTORIES		
Stock of Raw Materials	624,030,999	426,340,026
Stock of Trading Goods	8,307,144	6,080,562
Stock of Work In Process	30,585,288	28,794,147
Stock of Finished Goods	558,671,671	684,961,794
Stock of Stores, Packing & Others	70,979,596	62,979,592
Total	1,292,574,698	1,209,156,121

Schedules forming part of the Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 8 - SUNDRY DEBTORS		
(Unsecured and considered good)		
Exceeding Six Month	717,399,494	770,473,770
Others	2,553,373,968	2,481,494,785
(Includes Rs. 3217.40 Lacs (P.Y. Rs. 3916.53 Lacs) due from Subsidiary Company and Rs. 436.18 Lacs (P.Y. Rs. 614.34 Lacs) due from firm or a Company in which some of the Directors are interested)		
	3,270,773,462	3,251,968,555
Less : Provision for Doubtful Debts	(15,000,000)	(15,000,000)
Total	3,255,773,462	3,236,968,555
Schedule - 9 - CASH AND BANK BALANCES		
Cash on hand	1,954,090	1,779,852
Balance with Schedule Banks in Current Accounts	97,129,217	144,156,322
Deposits with Schedule Banks	7,451,203	7,894,458
Total	106,534,510	153,830,632
Schedule - 10 - LOANS AND ADVANCES		
(Unsecured Considered good)		
Export benefits receivable	223,094,737	257,687,634
Staff Advances	3,975,447	4,644,150
Balance with Central excise	200,396,955	162,744,785
Deposits	54,620,786	50,083,639
Advance Payment of Income Tax (net of Provision for tax)	115,005,245	75,355,338
Advance Payment of FBT (net of Provision for tax)	125,846	125,846
Other Current Assets	611,566,182	344,984,201
Advance Payment to vendors	248,052,473	190,221,014
Loan to Subsidiary Companies	367,858,868	211,923,222
Total	1,824,696,539	1,297,769,829

Schedules forming part of the Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule - 11 - CURRENT LIABILITIES		
Sundry Creditors due to Undertakings as per MSMED Act.	39,721,184	32,858,606
Sundry Creditors (Other than MSMED Act.)	1,060,415,507	929,950,974
IPO Refund Payable*	103,918	106,400
Other Trade Payable	264,004,367	294,284,833
Statutory Liabilities	71,422,618	57,745,596
Unpaid Dividend (F.Y.2007-2008)*	296,901	270,711
Unpaid Dividend (F.Y.2008-2009)*	273,953	408,830
Unpaid Dividend (F.Y.2009-2010)*	499,686	-
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
Total	1,436,738,134	1,315,625,950
Schedule - 12 - PROVISIONS		
Provision for Tax (net of advance income tax)	48,901,641	51,010,057
Provision for Employee Benefits	29,957,530	24,717,627
Dividend Payable (Proposed)	101,725,684	101,725,684
Corporate Dividend Tax Payable	16,502,449	16,895,365
Total	197,087,304	194,348,733

Schedule forming part of the Profit and Loss Account For the year ended on 31st March 2011

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
Schedule - 13 - SALES		
Manufacturing Goods		
Export Sales	5,446,248,498	4,787,249,871
Local Sales	2,507,544,753	2,161,948,144
	7,953,793,251	6,949,198,015
Trading Goods		
Export Sales	442,912,884	329,759,143
Local Sales	50,283,156	13,227,373
	493,196,040	342,986,516
Total	8,446,989,291	7,292,184,531
Schedule - 14 - OTHER INCOME		
DEPB Income	201,834,778	207,024,236
Duty Draw Back Benefit	430,906	331,616
Interest Received	8,730,244	20,656,299
Rent Received	341,885	465,001
Dividend Income	10,346,299	330,927
Sales of ETP Rights	-	255,510
Total	221,684,112	229,063,589
Schedule - 15 - (INCREASE) / DECREASE IN STOCK		
Opening Stock of Finished Goods	552,730,328	575,706,162
Opening Stock of Trading Goods	6,080,562	81,465,012
Excise Duty on Stock of Finished Goods	57,246,310	37,767,438
Goods in Transit	69,017,990	-
Opening Stock of Work In Process	28,794,147	106,544,568
	713,869,337	801,483,180
Closing Stock of Finished Goods	480,426,414	552,730,328
Closing Stock of Trading Goods	8,307,144	6,080,562
Excise Duty on Stock of Finished Goods	56,672,763	57,246,310
Goods in Transit	21,572,494	69,017,990
Closing Stock of Work In Process	30,585,288	28,794,147
	597,564,103	713,869,337
Total	116,305,234	87,613,843

Schedule forming part of the Profit and Loss Account For the year ended on 31st March 2011

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
Schedule - 16 - TRADING PURCHASES		
Trading Purchases	461,723,933	324,686,824
Total	461,723,933	324,686,824
Schedule - 17 - RAW MATERIALS CONSUMPTION		
Raw Materials Consumed	5,156,363,969	4,409,449,258
Other Raw Material related expenses	30,765,562	36,142,554
Total	5,187,129,531	4,445,591,812
Schedule - 18 - MANUFACTURING EXPENSES		
Fuel & Steam Consumption	146,819,060	134,666,701
Pollution Control Expenses	135,666,291	92,051,565
Stores Consumed	87,676,853	65,041,893
Repairs and Maintenance	52,840,177	34,354,309
Power Consumption	458,873,956	376,804,092
Other Manufacturing Expenses	46,817,024	49,945,222
Total	928,693,361	752,863,782
Schedule - 19 - EMPLOYEES EMOLUMENTS		
Salary & Wages	169,047,172	139,917,367
Statutory Contribution	8,335,531	8,107,396
Staff Welfare Expenses	21,648,381	15,309,359
Labour Contract Charges	70,924,964	48,592,112
Total	269,956,048	211,926,234

Schedule forming part of the Profit and Loss Account For the year ended on 31st March 2011

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
Schedule - 20 - ADMINISTRATIVE EXPENSES		
Rent , Rates & Taxes	20,785,812	8,133,554
Travelling Expenses	13,880,293	14,272,222
Postage and Telephone	11,293,544	13,505,240
Insurance Premium	3,176,107	2,486,887
Stationery & Printing Expenses	7,163,413	7,668,941
Legal & Professional Fees	35,374,989	17,957,648
Advertisement Expenses	4,483,786	4,531,752
Audit Fees	1,400,482	1,261,354
Donations	13,040,870	1,456,178
Repairs & Maintenance - Others	2,323,950	2,230,251
Directors' Remuneration	61,510,755	59,989,061
Directors' Sitting Fees	449,997	450,000
Vehicle Expenses	10,654,286	7,267,724
Stock Exchange Expenses	6,057,704	6,654,478
Software Expenses	3,220,247	1,692,760
Exchange Rate Difference - Others	(30,375,931)	(115,959,466)
Bad Debts / Sundry Balance written off	(6,531)	(3,999,827)
(Profit) / Loss on Sale of Assets	1,459,706	(347,962)
(Premium) / Discount on Forward Contract	(6,445,543)	(2,378,616)
Other Expenses	15,981,733	12,870,195
Total	175,429,669	39,742,374
Schedule - 21 - SELLING AND DISTRIBUTION EXPENSES		
Export Clearing & Forwarding Expenses	65,577,515	62,825,406
Transportation Expenses	172,748,914	123,973,292
Marine Insurance	4,461,609	4,398,959
Sales Commission	55,359,421	79,870,960
Business Promotion Expenses	23,250,462	10,096,376
Packing Material Consumption	187,429,020	177,080,093
Other Selling Expenses	76,625,173	45,929,795
Total	585,452,114	504,174,881
Schedule - 22 - FINANCIAL EXPENSES		
Interest	170,952,590	112,280,511
Other Financial Charges	23,343,136	23,730,956
Total	194,295,726	136,011,467

Schedule - 23 - Notes Forming Part of Accounts**1. BASIS FOR PREPARATION OF ACCOUNTS**

The Financial Statements have been prepared to comply with all material aspects in respect with the notified Accounting Standards by Companies Accounting Standard Rules, 2006 and the relevant provision of the Companies Act, 1956. Accounting policies have been consistently applied by the Company.

2. USE OF ESTIMATES

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

3. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**a) REVENUE RECOGNITION**

- 1) Revenue is recognised only when it can be reliably measured and it is reasonable to accept ultimate collection.
- 2) **Sales**
Domestic Sales are accounted exclusive of Excise, net of Central Sales Tax, VAT, sales return and rate difference, if any. Exports sales are accounted on the basis of dates of Bill of Lading. Sales do not include Inter Division transfer.
- 3) **Export Benefits**
Incomes in respect of Duty Drawback and Duty Entitlement Pass Book Scheme (DEPB) in respect of exports made during the year are accounted on accrual basis. Profit or losses on transfer of DEPB licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses
- 4) Dividend income is recognised on the basis of dividend declared by the companies.

b) FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss account.
- (ii) In order to hedge exposure to foreign exchange risks arising from Export or Import foreign currency, bank borrowings and trade receivables, the Company enters into forward contracts. In case of forward exchange contracts, the cost of the contracts is amortised over the period of the contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognised as income or expenses for the year.
- (iii) Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the profit and loss account in the reporting period in which the exchange rates change.
- (iv) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Schedule - 23 - Notes Forming Part of Accounts

c) **FIXED ASSETS**

- (i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, including borrowing cost as specified in point (i) till such assets are ready for its intended use, less specific grants received and Cenvat Credit availed if any.
- (ii) Fixed assets in the course of work-in-progress for production or administrative purposes are carried at cost less any impairment loss. Work in Progress includes expenditure pending for capitalization.

Cost includes land and building improvement costs, related acquisition expenses and construction costs incurred during the period of construction. Depreciation of these assets, on the same basis as the other property assets, commences when the assets are ready for their intended use.

- (iii) The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.

d) **EXPENDITURE ON NEW PROJECTS AND SUBSTANTIAL EXPANSION**

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

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

e) **INTANGIBLE ASSETS**

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

f) **IMPAIRMENT OF ASSETS**

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset is tested for impairment annually whenever there is an indication that asset may be impaired.

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

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

Schedule - 23 - Notes Forming Part of Accounts

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

g) DEPRECIATION

Except for freehold land, leasehold land and Capital work-in-progress and other assets as stated below depreciation is charged on Straight Line Method (SLM) as per rate and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

Intangible assets are amortized over useful life of assets as per management perception as under:-

- (i) ETP waste Rights - 5 Years
- (ii) Software - 5 Years
- (iii) License - 5 Years

Leasehold land is amortized over the available balance lease period.

Depreciation is not provided on freehold land and capital work-in-progress.

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

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

h) INVESTMENTS

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

i) INVENTORIES

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

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

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

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

For finished goods of Export Oriented Units (EOUs) where prima facie finished goods of EOUs are meant for export and no excise duty is leviable, therefore no excise duty is added in finished goods valuation. However in case of EOU also Excise duty is included in valuation of finished goods in proportion to DTA sales. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

Schedule - 23 - Notes Forming Part of Accounts**j) BORROWING COSTS**

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

k) PRIOR YEAR EXPENSES AND INCOME

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

l) EMPLOYEE BENEFITS

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

m) EXCISE DUTY

Excise duty (including Education Cess) on Finished Goods are shown separately in Manufacturing and other expenses and included in the valuation of finished goods.

n) CENVAT

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

o) ACCOUNTING FOR TAXES ON INCOME

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

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

Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realized. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance sheet date to reassess realization.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

p) PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when it is more likely than not that an obligation will result in an outflow of resources.

Provisions are not discounted to their present value and are determined based on management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent Liabilities are disclosed for all possible obligations that are not remote and all present obligations of which outflow of economic resources is not estimable.

Schedule - 23 - Notes Forming Part of Accounts**q) FINANCIAL DERIVATIVES HEDGING TRANSACTIONS**

In respect of derivative contracts, premium paid, gains / losses on settlement and provision for losses for cash flow hedges are recognized in the profit and loss account, in view of Announcement made by ICAI in respect of AS 30 and AS 1.

r) LEASES

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

There are no finance lease transactions entered in to by the Company.

Rent Expense and Rent Income represent operating leases which are recognized as an expense in the statement of Profit and Loss Account on a Straight Line basis over the lease terms.

4. CONTINGENT LIABILITIES / CAPITAL COMMITMENTS**a) Contingent Liabilities not provided for in account:**

Particulars	Rs. In Lacs	
	As on 31.03.2011	As on 31.03.2010
In respect of Bank Guarantees	897.30	803.60
In respect of Letters of Credit	1412.42	1143.59
In respect of Corporate Bank Guarantees	5500.00	2500.00

b) Contingent Liabilities in respect of other statutes.

Name of Statute	Nature of Dues	Rs. in lacs	Forum where Dispute is pending
Income Tax Act.	Income Tax / Penalty for Various Financial Years 1999-2000 to 2006-2007	877.78	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty (Financial Year 2007-2008 to 2010-2011)	659.93	Commissioner of Central Excise / Director General of Central Excise / Audit team of Central Excise / Central Excise Service tax Appellate Tribunal
Labour Laws	Compensation Claims	105.79	Labour Court
Value Added Tax	Input Tax Credit	45.83	The Joint Commercial Tax Commissioner Appeal 1
Professional Tax	Employees Professional Tax	0.40	Disputed between Local Authority & Sales Tax Department

c) The estimated amount of contracts remaining to be executed on capital accounts of Rs. 360.02 lacs (P.Y. Rs. 982.83 lacs) is not provided for.

Schedule - 23 - Notes Forming Part of Accounts

5. INTER DIVISION TRANSFER

Sales and Purchases are shown net of Inter Divisional Transfer amounting to Rs. 6139.97 lacs (Previous year Rs. 6288.13 lacs). Other income and manufacturing expenses are shown net of Inter Divisional Job work charges income of Rs. 507.61 lacs (Previous year Rs. 384.45 lacs).

During the year 2005-06, the Company has installed Captive Power plants as separate business undertaking, to avail benefit of infrastructure under Section 80 IB of the Income Tax Act, 1961. From the same units the Company has sold power to the tune of Rs. 765.49 lacs (Previous year Rs. 710.56 lacs) to its other units. The same is knocked off from sales.

6. AUDITORS' REMUNERATION

	31.03.2011	31.03.2010
	Rs. in lacs	Rs. in lacs
Audit Fees	14.89	13.24
Taxation Fees	3.86	1.10
Certification	2.21	2.21
Other Services	0.00	1.10
Auditors Out of Pocket Expenses	0.50	0.61
Total	21.46	18.26

7. FOREIGN EXCHANGE RATE DIFFERENCE

The Net Foreign Exchange Rate difference pertaining to Export realisation and option derivatives amounting to Rs.(567.01) lacs (Previous Year Rs. 111.96 lacs) has been considered to be Exceptional Items in Profit and Loss Account.

8. IMPAIRMENT OF ASSETS

During the year, the Company has impaired its assets to the tune of Rs. Nil (Previous year Rs. Nil)

9. SUBSIDIARIES

The Company has following companies as its subsidiaries:-

- Meghmani Europe BVBA
- Meghmani Organics USA Inc.
- Meghmani Energy Limited
- Meghmani Finechem Limited
- PT Meghmani Organics Indonesia
- Meghmani Chemtech Limited

Loans and Advances, in the nature of loans to Subsidiary are as under

Rs. In Lacs

Particulars	31.03.2011	31.03.2010	Maximum Balance Outstanding during the year
Meghmani Europe BVBA	1482.10	1114.70	1678.17
Meghmani Energy Limited	-	124.67	124.67
PT Meghmani Organics Indonesia	271.03	102.82	281.28
Meghmani Chemtech Limited	1925.46	777.04	1925.46
Total	3678.59	2119.23	4009.58

Schedule - 23 - Notes Forming Part of Accounts**10. SEGMENT REPORTING**

For management purpose, the Company is currently organised into two major operating divisions - Pigments and Agro Chemicals. These divisions are the basis on which the Company reports its primary segment information.

Principal activities are as follows:

Pigments division

To Manufacture and distribute Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

Agrochemicals division

To Manufacture and distribute Technical, Intermediates and Formulations of Insecticides.

(a) Analysis By Business SegmentSegment revenue and expense:

Segment revenue and expense are the operating revenue and expense reported in the Company's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital Expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payable and accrued expenses.

Inter-segment transfers:

Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market rates. These transfers are eliminated at the Company level.

Contd...

Schedule - 23 - Notes Forming Part of Accounts

Financial year ended on March 31, 2011:

	Figures in lacs				
	Pigments	Agro Chemicals	Others *	Elimination	Total
Revenue					
External Sales	35499.17	44051.27	4919.45	-	84469.89
Inter-segment Sales	409.14	5730.83	765.49	(6905.46)	-
Total Revenue	35908.31	49782.10	5684.94	(6905.46)	84469.89
Results					
Segment Results	4497.73	2715.81	88.17	-	7301.71
Un-allocable (Expenses)/Income					-
Profit from Operations					7301.71
Finance Cost					(1942.96)
Investments Income					103.46
Profit before exceptional items					5462.21
Exceptional Items					567.01
Extraordinary Items					(25.00)
Profit Before Tax					6004.22
Income tax Expenses					(1150.00)
Deferred Tax (Expenses) / Income					(136.15)
Profit after tax					4718.07

	Figures in lacs				
Other information	Pigments	Agro Chemicals	Others*	Unallocable	Total
Capital Addition	1387.75	10420.50	12.17	146.74	11967.16
Depreciation	(908.69)	(1072.17)	(53.80)	(-)	(2034.66)
Non-Cash Items	(276.78)	(1124.27)	5.26	293.00	(1102.79)
Balance sheet	Pigments	Agro Chemicals	Others*		Total
Assets					
Segment Assets	24744.40	49534.17	3410.82		77689.39
Un-allocable Corporate Assets					25723.12
Total assets					103412.51
Liabilities					
Segment Liabilities	3428.19	14296.78	1046.52		18771.49
Un-allocable Corporate Liabilities					30001.65
Deferred Tax Liabilities					1314.46
Total Liabilities					50087.60

*Others includes trading activity and Power generation

Schedule - 23 - Notes Forming Part of Accounts

Financial year ended on March 31, 2010:

	Figures in lacs				
	Pigments	Agro Chemicals	Others *	Elimination	Total
Revenue					
External Sales	28146.95	41199.27	3575.63	-	72921.85
Inter-segment Sales	0.11	6288.02	710.56	(6998.69)	-
Total Revenue	28147.06	47487.29	4286.19	(6998.69)	72921.85
Results					
Segment Results	3665.75	6313.99	(434.46)	-	9545.28
Un-allocable (Expenses)/Income					296.33
Profit from Operation					9841.61
Finance Cost					(1360.11)
Investments Income					3.30
Profit before exceptional items					8484.80
Exceptional Items					(111.96)
Profit Before Tax					8372.84
Income tax Expenses					(2303.60)
Deferred Tax (Expenses)/Income					88.78
Profit after tax					6158.02

	Figures in lacs				
Other information	Pigments	Agro Chemicals	Others*	Unallocable	Total
Capital Addition	1233.94	4655.46	35.13	304.55	6229.08
Depreciation	(842.27)	(710.32)	(42.20)	(106.78)	(1701.57)
Non Cash Items	729.73	(1590.44)	123.44	230.60	(506.67)
Balance sheet	Pigments	Agro Chemicals	Others*		Total
Assets					
Segment Assets	24776.37	44505.02	3166.87		72448.26
Un-allocable Corporate Assets					17961.05
Total assets					90409.31
Liabilities					
Segment Liabilities	2617.90	14416.26	887.48		17921.64
Un-allocable Corporate Liabilities					21520.24
Deferred Tax Liabilities					1178.31
Total Liabilities					40620.19

- Others includes trading activity and Power generation

Schedule - 23 - Notes Forming Part of Accounts

(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:

	Rs in lacs	
	2010-11	2009-10
Export Sales	58891.62	51170.09
Domestic Sales	25578.27	21751.76
Total	84469.89	72921.85

(c) Segment assets and capital expenditure:

Segment assets and capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to purchase property, plant and equipment.

An analysis of the carrying amount of segment assets and capital expenditure by geographical locations is not presented, as the assets are all located in India.

11. MANAGERIAL REMUNERATION

Managerial remuneration U/S 198 of the Companies Act 1956 paid or payable during the financial year to the Directors and Computation of Net Profit in accordance with section 198(1) and section 349 of the Companies Act, 1956 are as under :-

	Rs in lacs	
	2010-11	2009-10
A. Profit as per Profit and Loss Account	4718.07	6158.02
B. Add:		
Managing Directors' Remuneration(including perquisites)	386.25	386.25
Whole-time Directors' Remuneration (including perquisite)	198.86	181.42
Executive Director Remuneration (including perquisite)	30.00	32.22
Depreciation	2034.66	1701.57
Loss on sale of Fixed Assets	14.60	(3.48)
Provision for Taxation (including FBT)	1150.00	2303.60
Provision for Deferred tax	136.15	(88.78)
Sub Total	8668.59	10670.82
C. Less: Depreciation under Section 350	1850.25	1605.49
Profit on which remuneration is payable (A+B-C)	6818.34	9065.33

Details of Directors remuneration

	Rs. In Lacs			
	Managing Directors	Whole-time Directors	Executive Director	Total
1. Salary	216.00	126.72	22.73	365.45
2. Bonus	144.00	56.72	-	200.72
3. Perquisites	26.25	15.42	7.27	48.94
Total	386.25	198.86	30.00	615.11

Schedule - 23 - Notes Forming Part of Accounts**12. PROVISION FOR TAXATION**

The Company has made Income Tax provision of Rs. 1150.00 Lacs (Previous year Rs. 2300.00 Lacs) which includes Wealth tax provision of Rs. 4.10 Lacs for the year ended on 31st March, 2011 after taking into consideration the benefits of Export Oriented units under Section 10 B, U/S 80IB and U/S 35(2AB) of Income Tax 1961.

The Income-Tax assessments of the company have been completed up to Assessment Year 2007-08. The disputed demand outstanding up to the said assessment year is Rs. 877.78 Lacs. Based on the decisions of the Appellate authorities and the interpretation of other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

13. DEFERRED TAX

Rs. in Lacs

	March 31, 2011	March 31, 2010
Deferred Tax Liabilities	1429.31	1280.51
Deferred Tax Assets	(114.85)	(102.20)
Net position	1314.46	1178.31

The movement for the relevant periods in the Company's deferred tax position is as follows:

Rs. in Lacs

	March 31, 2011	March 31, 2010
At the beginning of period	1178.31	1267.09
Charge to P & L Account for the period	136.15	(88.78)
At end of period	1314.46	1178.31

Deferred Tax Liabilities are mainly represented by the tax effect of the excess of net book value over tax written down value of certain qualifying assets. The movement for the relevant periods in the Company's deferred tax liabilities is as follows:

Rs. in Lacs

	Tax depreciation	Others	Totals
At April 1, 2010	1280.51	0	1280.51
Charge to expenses for the year	148.80	0	148.80
At March 31, 2011	1429.31	0	1429.31

Deferred Tax Assets are mainly represented by the tax effect of provision for doubtful receivables / bad debts written off and others include Liability for leave encashment and retirement benefits and disallowances under Section 43B & 40(b) of Income Tax Act. The movement for the relevant periods in the Company's Deferred Tax Assets is as follows:

Rs. in Lacs

	Provision for doubtful debts	Others	Total
At April 1 2010	(50.98)	(51.22)	(102.20)
Charge to income/expenses for the year	0	(12.65)	(12.65)
At March 31 2011	(50.98)	(63.87)	(114.85)

Schedule - 23 - Notes Forming Part of Accounts

14. PROJECT DEVELOPMENT EXPENDITURE

(in respect of project up to 31st March 2011, included under Capital work-in-progress)

Particulars	31.03.2011	31.03.2010
Opening Balance	32,501,389	715,090
Add - Direct & Indirect expenditure (net of income) related to Capital Projects incurred during the year	15,896,456	15,354,446
Add - Borrowing cost Capitalised	30,486,816	16,431,853
Sub Total	78,884,661	32,501,389
Less - Capitalised during the year	60,889,590	-
Closing Balance	17,995,071	32,501,389

15. EARNING PER SHARE

Particulars	31.03.2011	31.03.2010
Net Profit after tax attributable to shareholders	471,807,349	615,801,905
Weighted average number of equity shares at the end of year	254,314,211	254,314,211
Nominal value of share	1.00	1.00
Basic / Diluted earning per share before extraordinary items	1.87	2.42
Basic / Diluted earning per share after extraordinary items	1.86	2.42

16. RELATED PARTIES DISCLOSURES :-

- Holding Company : Nil
- Subsidiaries of the company : Meghmani Organics USA, Inc. (MOL-USA)
Meghmani Europe BVBA (MOL-EUROPE)
Meghmani Energy Limited (MEL)
Meghmani Finechem Limited (MFL)
PT Meghmani Organics Indonesia (MOL-INDONESIA)
Meghmani Chemtech Limited (MCTL)
- Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence : Meghmani Pigments
Ashish Chemicals
Tapsheel Enterprise
Meghmani Dyes and Intermediates Ltd.
Meghmani Industries Limited
Meghmani Chemicals Limited
Fidelity Exports Private Limited
Vanguard Overseas Limited
Panchratna Corporation
- Key Managerial Personnel : Mr. Jayanti M Patel
Mr. Ashish N Soparkar
Mr. Natwarlal M Patel
Mr. Ramesh M Patel
Mr. Anand I Patel
Mr. Ashvin Raythatha
- Relatives of Key Managerial Personnel (Employee) : Ms. Deval Soparkar
Mr. Karna R Patel
Mr. Ankit N Patel
- Relatives of Key Managerial Personnel (Consultant) : Mr. K M Patel

Schedule - 23 - Notes Forming Part of Accounts

Related Parties Material Transactions (Rs. In lacs)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Purchase of Goods	4295.15	3233.18	1223.47	224.30	NIL	NIL	NIL	NIL	5518.62	3457.48
Sale of Goods	4372.22	4842.76	1135.90	2366.22	NIL	NIL	NIL	NIL	5508.12	7208.98
Sale of Fixed assets (MFL)	3.75	85.23	NIL	NIL	NIL	NIL	NIL	0.92	3.75	85.23
Purchase of Service	NIL	NIL	645.81	713.67	NIL	NIL	NIL	NIL	646.73	714.45
Purchase of Assets	3.07	NIL	NIL	NIL	NIL	NIL	NIL	NIL	3.07	NIL
Remuneration	NIL	NIL	NIL	NIL	615.11	599.89	16.72	12.18	631.83	612.07
Loans Given	1914.16	1194.30	NIL	NIL	NIL	NIL	NIL	NIL	1914.16	1194.30
Loans Repaid	364.94	1115.15	NIL	NIL	NIL	NIL	NIL	NIL	364.94	1115.15
Investment	70.00	134.13	NIL	NIL	NIL	NIL	NIL	NIL	70.00	134.13
Interest Income	25.16	67.90	NIL	NIL	NIL	NIL	NIL	NIL	25.16	67.90
Rent Income (MEL)	1.44	2.16	NIL	NIL	NIL	NIL	NIL	NIL	1.44	2.16
Total	11049.89	10674.81	3005.18	3304.19	615.11	599.89	17.64	12.96	14687.82	14591.85

Outstanding Balances with Related Parties (Rs. In lacs)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Debtors	3217.40	3916.53	436.18	677.24	NIL	NIL	NIL	NIL	3653.58	4593.77
Creditors	137.70	656.85	328.56	92.69	NIL	NIL	NIL	NIL	466.26	749.54
Unsecured Loans	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Salary, PF & Gratuity Payable	NIL	NIL	NIL	NIL	34.11	31.61	1.10	0.98	35.21	32.59
Loans and Advances	3678.59	2119.23	NIL	NIL	NIL	NIL	NIL	NIL	3678.59	2119.23
Total	7033.69	6692.61	764.74	769.93	34.11	31.61	1.10	0.98	7833.64	7495.13

Schedule - 23 - Notes Forming Part of Accounts

(Rs. In lacs):

Material Transactions with Related Parties

Name of Related Parties	Sale of Goods		Sale of Assets		Purchase of Goods		Purchase of Assets/Services		Interest Income		Remuneration		Loans Given		Loans Repaid		Investment		Total			
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	
Subsidiary	3,144.75	3,086.50			729.75										123.50		134.13	3,874.50	3,344.13			
Meghmani Organics USA Inc.	940.12	1,605.09			34.57	354.46			18.15	12.26			599.57	236.70				1,829.11	1,971.81			
Meghmani Europe BVBA				85.23	1,394.32	1,510.11			3.97	43.99				128.24	491.64			1,526.53	2,130.97			
Meghmani Energy Limited			3.75		2,118.31	1,215.32	18.21		3.04	9.12			166.16		500.00			2,140.27	2,215.32			
Meghmani Finechem Limited	287.36												1,148.42			70.00		456.56	9.12			
PT Meghmani Organics Indonesia																		1,218.42	625.51			
Meghmani Chemtech Limited																						
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence																						
Meghmani Pigments					190.39																190.39	
Ashish Chemicals	154.96																				154.96	
Ashish Chemicals EOU Unit - II	198.29																				198.29	
Meghmani Industries limited - Unit II	117.06																				117.06	
Vidhi Global Chemicals Limited	513.19	1,493.99			808.53																1,321.72	1,493.99
Meghmani Infrastructures								574.33	713.67												574.33	713.67
Key Managerial Personnel																						
Jayanti M Patel								9.10		128.75	128.75							137.85	128.75			
Ashish Soparkar								9.10		128.75	128.75							137.85	128.75			
Natwarlal M Patel								8.93		128.75	128.75							137.68	128.75			
R M Patel								5.36		103.03	96.71							108.39	96.71			
Anand I Patel								3.57		95.83	84.71							99.40	84.71			
Relatives of Key Managerial Personnel																						
Deval Soparkar										9.28	7.35							9.28	7.35			
Karan R. Patel										5.12	4.45							5.12	4.45			
Ankit N Patel										2.32								2.32				
K. M. Patel								0.92	0.78									0.92	0.78			

Schedule - 23 - Notes Forming Part of Accounts

17. The Company has called for balance confirmation of Debtors and Creditors on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Debtors and Creditors are subject to confirmation.
18. The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and accordingly company has provided for interest of Rs. 5.09 Lacs (P.Y. Rs. 1.01 Lacs) being payable as required under the said act.

The details as required by M.S.M.E.D. Act. are given below,

Sr.No	Particulars	2010-2011	2009-2010
1	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year; Principal Amount Interest Amount	Rs. 39211741 Rs. 198168	Rs. 32757239 Rs. 101367
2	the amount of interest paid by the buyer in terms of Section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
3	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Rs. 311275	Rs. 2814426
4	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Rs. 198168	Rs. 101367
5	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

19. The figures of previous year are regrouped and rearranged wherever necessary so as to make them comparable.
20. The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating lease charged to Profit and Loss Account for the year Rs. 181.84 Lacs (Previous year Rs. 82.24 Lacs)
Not later than 1 year Rs. 181.84 lacs (Previous year Rs. 82.24 Lacs)
Not later than 5 years Rs. Nil. (Previous year Rs. Nil)
21. a) During the year, a fire occurred in Unit - II of Panoli Division belonging to Pigment Segment. The Company incurred a loss / Expenses for Rs.211,780,309 relating to Stock of goods and Fixed Assets destroyed by fire. Accordingly, the Company has lodged a claim with Insurance Company and has received Rs.800 lacs towards part payment of the above claim.
As per the past practice, The Company's Management have estimated a loss of Rs. 2,500,000 being short recoverable from the insurance company which has been charged to Profit and Loss Account as an Extraordinary item
- b) Loans and Advances include a sum of Rs. 129,280,309 towards claim preferred on account fire claim with Insurance Company on the basis of loss / expenses incurred by the Company which are pending settlement with the Insurance Company. The Management is of the view that this is fully recoverable & considered good.

Schedule - 23 - Notes Forming Part of Accounts

22. The Company has written down the value of inventory of trading goods to the extent of Rs. 32.68 Lacs (Previous year Rs. 462.60 Lacs) in view of quality of goods.
23. Trading Purchase includes Rs. 32.68 Lacs and Selling & distribution Expenses Includes Rs. 19.23 Lacs (Previous Year Rs. Nil) related to Prior Period Expenses.
24. During the year the Company acquired and Sold following Investments in Mutual Funds.

Particulars	Face Value	Purchase Cost	
		Units	Value
Canara Robeco Indigo growth Fund	10	1000000	10000000
Canara Robeco Liquid fund growth	10	580396	9857800
IDFC Money Manager Treasury Plan	10	2011327	20116284
IDFC Money Manager Treasury Plan - MI	10	979115	10000000
SBI Magnum MIP - Growth Option	10	515724	10000000
SBI Magnum Insta Cash Daily Dividend	10	600801	10063589
Axis Liquid Fund	1000	19980	19980200
Axis Income Saver Growth - MIP	10	1000000	10000000
Reliance Money Manager Fund	1000	29959	30000000
Birla Sunlife Cash Manager	10	4998500	50000000
UTI Mutual Fund - Treasury Adv Daily Dividend	1000	49989	50000000
ICICI Prudential Flexible Income Plan	100	378304	40000000
Religare UST Plan	10	2994879	30000000
Fidelity Ultra Short Term Debt Fund - (DD-RI)	10	1999500	20000000

25. The Company uses derivative contracts to manage its foreign currency exposures and interest rate risk relating to the underlying transactions and firm commitments. The Company doesn't enter into any derivative instruments for trading or speculation purpose. The derivative contracts outstanding as on 31st March, 2011 are as under.

Sr. No.	Particulars	No of contracts	Amount in USD (in lacs)	Amount in Euro (in lacs)	Rs. In Lacs
1	Forward Contract	65 (46)	162.50 (115.00)	6.00 (-)	7626.98 (5163.50)
2	Option Contract	5 (5)	252.50 (402.50)	- (-)	11260.24 (18072.25)
3	Option & Swap Contract (ECB)	2 (2)	110.00 (140.00)	- (-)	4905.45 (6286.00)
4	Interest Currency Swap of Non-Convertible Debentures	4 (-)	74.87 (-)	- (-)	3338.65 (-)

Previous year figures are shown in brackets.

Schedule - 23 - Notes Forming Part of Accounts**26. Retirement Benefits**

As per revised Accounting Standard 15 (AS-15) "Employees Benefits" issued by The Institute of Chartered Accountants of India, the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2011.

(A) Defined Benefit Plans**I. Components of Employer Expenses**

Sr.No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Current Service Cost	4168940	3579050	421929	547086
(b)	Interest Cost	3114639	2515365	153734	153335
(c)	Expected Return on Plan Assets	(1601979)	(1362852)	-	-
(d)	Actuarial (gain)/loss	664315	318463	(408630)	(580405)
(e)	Total Expenses/(gain) recognized in the Profit & Loss Account	6345915	5050026	167033	120016

II Net Asset/ (Liability) recognized in Balance Sheet

Sr.No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Present value of Funded Obligation	44709244	38499859	1785404	1900297
(b)	Fair Value of Plan Assets	17250424	17386954	-	-
(c)	(Assets)/Liability recognized in the Balance Sheet	27458820	21112905	1785404	1900297

III Change in Defined Benefit Obligations (DBO)

Sr.No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Opening balance of Present Value of Obligation	38499859	31285635	1900297	1907150
(b)	Liability of Outgoing Transferred Employees	-	(41862)	-	(20109)
(c)	Current Service Cost	4168940	3579050	421929	547086
(d)	Interest Cost	3114639	2515365	153734	153335
(e)	Actuarial (Gain)/Loss	605011	2528230	(408630)	(580405)
(f)	Benefit Paid	(1679205)	(1366559)	(281926)	(106760)
(g)	Closing Balance of Present Value of Obligation	44709244	38499859	1785404	1900297

Schedule - 23 - Notes Forming Part of Accounts

IV Changes in the Fair value of Plan Assets

Sr.No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Opening Balance of Present Value of Plan Assets	17386954	12898655	-	-
(b)	Assets of Outgoing Transferred Employees	-	(32841)	-	-
(c)	Expected Return on Plan Assets	1601979	1362852	-	-
(d)	Actuarial Gain/(Loss)	(59304)	2209767	-	-
(e)	Contribution by Employer	-	2315080	-	-
(f)	Benefit Paid	(1679205)	(1366559)	-	-
(g)	Fair Value of Plan Assets as at 31st March	17250424	17386954	-	-

V Actuarial Assumptions

Sr.No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Discount Rate (per annum)	8.09%	8.04%	8.09%	8.04%
(b)	Expected Rate of Return on Assets (per annum)	9.25%	9.00%	-	-
(c)	Annual Increase in Salary Costs (per annum)	6.00%	6.00%	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	Gratuity		Leave Encashment	
	2011	2010	2011	2010
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	0.00%	0.00%

VII Movement in net liability recognized in balance Sheet

Particulars	Gratuity		Leave Encashment	
	2011	2010	2011	2010
Net opening liability	21112905	18,386,980	1900297	1907150
Liability of Transferred Employees	-	(9,021)	-	(20109)
P & L Charges	63456915	5,050,026	167033	120016
Contribution paid	-	(2,315,018)	(281926)	(106760)
Closing net liability	27458820	21,112,905	1785404	1900297

Schedule - 23 - Notes Forming Part of Accounts**(B) Defined Contribution Plans**

Amount recognised as an expenses as "contribution / provision to and for Provident and other Funds" of profit and loss account - Rs. 71.34 Lacs (Previous year Rs. 63.39 Lacs)

1. Additional information required under para 3, 4 (c) and 4 (d) of part II of Schedule VI of the Companies Act, 1956 are as under :

1) Licensed & Installed Capacity and Production (in MT)

Particulars	Licensed Capacity	Installed Capacity	Production
Intermediates	3780	3780	4441.250
Technical	13900	13900	9381.446
Formulation Bulk	NA	NA	5728.211
Formulation Small Packing	NA	NA	3891.367
Pigments	24420	24420	15950.346

Note:

- Under the New Industrial Policy, No specific license is necessary for the manufacturing of the products mentioned above. The installed capacities are as per the certificates given by the Directors on which Auditors have relied.

2) Details of Turnover and production

Particulars	Opening Stock Rs. In Lacs	Opening Stock In MT	Production In MT	Captive Consumption/ Others In MT	Sales Rs. In Lacs	Sales In MT	Closing Stock Rs. In Lacs	Closing Stock In MT
Intermediate	504.03 (153.77)	169.842 (48.264)	4441.250 (2699.323)	1884.710 (1830.785)	3307.18 (3349.40)	2548.240 (746.960)	678.72 (504.03)	178.142 (169.842)
Technical	3038.00 (755.56)	1008.440 (183.379)	9381.446 (10399.317)	927.297 (1739.670)	30497.64 (29213.14)	8388.099 (7834.586)	3331.35 (3038.00)	1074.490 (1008.440)
Formulation (Bulk)	531.16 (410.73)	266.470 (187.676)	5728.211 (5787.410)	3398.870 (3193.932)	4950.56 (5354.77)	2224.355 (2514.684)	813.47 (531.16)	371.456 (266.470)
Formulation (Small Pack)	662.38 (542.94)	350.227 (264.138)	3891.367 (4098.715)	-2142.716 (-1345.380)	11185.01 (9626.00)	6099.350 (5358.006)	799.69 (662.38)	284.960 (350.227)
Pigments	2677.07 (3893.23)	1148.665 (1911.236)	15950.346 (14317.737)	3785.894 (2777.762)	34581.68 (27985.21)	13105.190 (12302.546)	752.39 (2677.07)	207.927 (1148.665)

Note: Sales include inter-divisional transfer.

3) Details of Turnover and production of Power Generation Units

Particulars	Opening Stock Rs. In Lacs	Opening Stock In MT	Production In MT	Captive Consumption/ Others In MT	Sales Rs. In Lacs	Sales In Units	Closing Stock Rs. In Lacs	Closing Stock In MT
Power Generation Units	0.00 (0.00)	0.00 (0.00)	36539300 (34311900)	23781200 (22469300)	765.49 (710.56)	12758100 (11842600)	0.00 (0.00)	0.00 (0.00)

Note: Sales include inter-divisional transfer. The above figures are obtained from SAP.

Schedule - 23 - Notes Forming Part of Accounts

4) Details of Trading Goods

Particulars	Opening Stock Rs. In Lacs	Opening Stock In MT	Purchase Rs. In Lacs	Purchase In MT	Sales Rs. In Lacs	Sales In MT	Shortage In MT	Closing Stock Rs. In Lacs	Closing Stock In MT
Dyes	57.44	6.540	798.03	159.081	918.98	164.725	0.000	16.32	0.896
Pigment	(0.000)	(0.00)	(590.62)	(112.996)	(607.23)	(106.456)	(0.00)	(57.44)	(6.540)
Agro Chemicals	27.14 (7.79)	2.964 (20.162)	3762.53 (2654.49)	1176.077 (862.041)	4000.47 (2862.02)	1152.330 (871.051)	0.059 (8.188)	146.72 (27.14)	26.652 (2.964)
Others	58.03 (807.00)	28571.623 (28785.32)	32.68 (32.16)	70.000 (75.000)	0.00 (105.66)	0.000 (288.700)	70.00 (0.00)	58.03 (58.03)	28571.623 (28571.623)

Notes: The above information is obtained from SAP

5) Raw material :- Opening and Closing Stock

Item	Opening Stock In MT	Opening Stock Rs. in Lacs	Closing Stock in MT	Closing Stock Rs. in Lacs
Agro Chemicals				
Acetic Anhydride	61.532	34.94	51.137	26.02
Acetic Acid Glacial	224.580	61.56	0.049	0.03
Acrylonitrile (CAN)	92.127	99.62	77.260	86.81
Benzaldehyde	28.560	27.72	48.830	60.96
Bromine	5.271	3.98	20.412	43.40
CTC	139.63	13.98	161.557	36.77
DETCL	163.258	148.61	478.317	500.79
DMPAT	346.250	336.21	1036.734	1214.92
Isobutylene	38.082	33.63	34.706	32.44
Lambda Cyhalothric Acid 99	9.050	95.43	4.000	47.60
Phenol Crystals	0.000	0.00	189.411	161.10
Nitrobenzene	95.687	58.76	61.803	30.28
Sodium Salt Trichloro	37.228	86.00	7.105	16.64
Solvent C 9	326.034	152.31	111.258	57.13
TCAC	115.325	67.05	77.705	38.15
Thionyl Chloride	77.267	15.80	125.962	29.33
2 Chloro-5-Chloromethyl (CCMP)	0.000	0.00	18.000	139.65
Pigment				
Phthalic Anhydride	313.062	179.80	723.762	427.76
Technical Salt	123.801	7.70	125.889	9.42
Copper Scrap	24.157	76.28	12.586	52.91
Cuprous Chloride	59.290	138.56	72.562	217.58
Acetoacetyl Amino Benzimidazolone	10.478	74.07	10.478	74.07
Para Chloro Benzonitrile (PCBN)	22.720	56.74	20.720	51.75
VAT Blue 4	7.200	64.63	4.200	42.79
Others		2430.02		2842.01
Total		4263.40		6240.31

Schedule - 23 - Notes Forming Part of Accounts**6) Raw Material Consumption**

Item	31.03.2011 Qty. in MT	31.03.2011 Amount in Lacs	31.03.2010 Qty. in MT	31.03.2010 Amount in Lacs
Agro Chemicals				
Acetic Anhydride	1837.20	900.62	2387.42	1277.16
Acrylonitrile	1381.57	1608.39	1574.98	99.30
Benzaldehyde	476.27	523.42	493.29	440.08
Bromine	285.44	361.29	239.04	159.90
CTC	1995.48	371.64	2074.87	195.87
Cyno phenoxy Cyclopropane	451.93	2648.21	324.93	1127.16
DETCL	1462.57	1369.54	1677.52	1687.69
DMPAT	2534.52	2562.66	3713.25	3609.75
Acetic Acid Glacial	1217.11	291.72	312.72	92.40
Isobutylene	835.36	757.78	905.94	848.90
Phenol Crystal	1177.65	1104.67	545.62	368.10
S-Methyl N-Acetyl Phospo	234.00	536.95	0.00	0.00
Thionyl Chloride	2558.36	592.22	2794.10	383.79
TCAC	2031.44	1110.01	2529.17	1536.09
Tri Methyl Amine Salt	436.93	1178.79	0.00	0.00
2-Chloro-5 Chloromethyl-CCMP	128.00	893.55	0.00	0.00
Pigment Division				
Aluminum Chloride	4349.78	1589.85	3533.47	1002.28
Ammonium Molybdate	28.69	311.79	27.592	259.29
Phthalic Anhydride	10975.30	5976.58	10341.85	5282.34
Technical Salt	12238.91	860.33	11087.04	672.76
Cupric Chloride	136.64	259.58	104.650	169.98
Cuprous Chloride	1965.26	4975.33	1882.85	3846.93
Copper Scrap	614.07	2203.12	681.154	2022.36
CPC Blue	0.00	0.00	117.125	177.08
Liquid Chlorine	2962.94	247.41	2485.192	144.75
Others		18635.85		19051.96
Total		51871.30		44455.92

7) Value of Import on CIF basis

Particulars	Rs. in lacs	
	31.03.2011	31.03.2010
Raw Material (Mfg.)	9941.48	11450.13
Trading Purchase	2327.34	801.49
Capital goods	865.53	267.18
Total	13134.35	12518.80

Schedule - 23 - Notes Forming Part of Accounts

8) Expenditure made in Foreign Currencies

Rs. in lacs

Particulars	31.03.2011	31.03.2010
Foreign Traveling Expenses	62.70	59.58
Sales Commission	562.73	582.92
Other Expenses Including Capital Expenditure	14373.37	12168.82
Total	14998.80	12811.32

9) Particulars of NRI Shareholders to whom dividend is remitted.

Amount of Final Dividend Remitted (Rs. In lacs)	252.28	224.16
No. of Shareholders	1	1
No. of Shares held	63070150	68322150
Year / Period to which dividend relates	2009-10	2008-09

10) Earnings in Foreign Currencies

Rs. in lacs

Particulars	31.03.2011	31.03.2010
Export of Goods (FOB)	57528.56	50415.31

11) Value of imported and indigenous raw materials, stores, components and spare parts consumed.

Rs. in lacs

Particulars	31.03.2011	31.03.2011	31.03.2010	31.03.2010
	Imported	Indigenous	Imported	Indigenous
Stores And Spares	0.00 0.00%	876.77 100.00%	0.00 0.00%	650.42 100.00%
Raw Materials	9941.48 19.17%	41929.82 80.83%	11450.13 25.76%	33005.79 74.24%

Signature to Schedule 1 to 23

For M/S Patel & Khandwala

Chartered Accountants

(M M Khandwala)

Partner

Membership No. 32472

Place: Ahmedabad

Date : 27.05.2011

For and on behalf of the Board

J M Patel – Executive Chairman

AN Soparkar - Managing Director

N M Patel - Managing Director

K D Mehta
Company Secretary

Place : Ahmedabad

Date : 27.05.2011

Cash Flow Statement for the year ended 31st March 2011

Particulars	31.03.2011	31.03.2010
	Rs.	Rs.
A. Cashflow from Operating Activities		
Net Profit Before Tax	600,422,149	837,283,552
Adjustment for :		
Depreciation	203,466,306	170,157,188
Unrealised Foreign Exchange Gain	12,988,746	(21,402,992)
Interest and Finance Charges	194,295,726	136,011,467
Dividend Received	(10,346,299)	(330,927)
Interest Received	(8,730,244)	(20,656,299)
(Profit) / Loss on Sale of Investment	2,710,571	(376,000)
Loss on Sale of Fixed Assets (Net)	1,459,706	(347,962)
Operating Profit before Exceptional & Extraordinary Item	996,266,661	1,100,338,027
Exceptional Item	146,771,849	(54,083,279)
Extraordinary Item	(2,500,000)	-
Operating Profit before working capital changes	1,140,538,510	1,046,254,748
Adjustment for:		
Inventories	(83,418,577)	(154,707,169)
Debtors	(18,804,907)	(268,029,238)
Loans and Advances	(456,071,174)	(68,447,699)
Current Liabilities	116,845,571	(10,690,220)
Provision for Employee Benefits	5,239,903	3,568,508
Sub Total	(436,209,184)	(498,305,818)
Cash Generated from operation	704,329,326	547,948,930
Direct Taxes Paid	(156,758,323)	(174,099,521)
Net Cash from operating activities	547,571,003	373,849,409
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(749,646,346)	(569,006,233)
Dividend Received	11,125,399	330,927
Interest Received	7,319,225	19,480,585
Purchase of Mutual Fund	(351,000,000)	(716,015,400)
Sales of Mutual Fund	182,673,383	528,934,869
Investment in Subsidiaries	(7,000,000)	(13,413,400)
Sale of Fixed Assets	2,790,500	9,727,880
Net Cash Used in Investing Activities	(903,737,839)	(739,960,772)

Cash Flow Statement for the year ended 31st March 2011

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
C. Cash flow from financing Activities		
Dividend paid	(101,225,998)	(83,923,690)
Tax on dividend	(16,895,365)	(14,262,831)
Interest and Finance Charges Paid	(186,297,429)	(131,944,726)
Non Convertible Debentures	1,000,000,000	-
Bank Borrowing (Term Loan)	(117,210,000)	476,440,000
Bank Borrowing (Working Capital)	(24,143,649)	290,890,029
Proceeds from other Borrowing	2,136,080,000	1,636,500,000
Other Borrowing Repaid	(2,221,676,250)	(1,815,123,000)
Net Cash Used in Financing Activities	468,631,309	358,575,782
Net (Decrease)/ Increase in Cash and Cash Equivalent	112,464,473	(7,535,581)
Cash on Hand -Opening Balance	153,830,632	85,879,942
Cash on Hand -Closing Balance	266,295,105	78,344,361
Reconciliation of Cash and Cash Equivalent at the end of the year		
Cash on Hand	1,954,090	1,779,852
Balance with Schedule Banks in Current Accounts	97,129,217	144,156,322
Deposits with Schedule Banks	7,451,203	7,894,458
Total Cash & Bank Balance as per Balance Sheet	106,534,510	153,830,632
Net effect of change in Foreign Exchange Rate	159,760,595	(75,486,271)
Cash & Cash Equivalent at the end of the year	266,295,105	78,344,361

Notes to the cash flow statement for the year ended on 31.03.2011

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

As per our attached report of even date

Signature to Schedule 1 to 23

For M/S Patel & Khandwala

Chartered Accountants

(M M Khandwala)

Partner

Membership No. 32472

Place: Ahmedabad

Date : 27.05.2011

K D Mehta

Company Secretary

For and on behalf of the Board

J M Patel – Executive Chairman

A N Soparkar - Managing Director

N M Patel - Managing Director

Place : Ahmedabad

Date : 27.05.2011

Balance Sheet Abstract And Company's General Business Profile

I	Registration Details	
	Registration No.	24052
	Status Code	04
	Balance Sheet Date	31st March 2011
II	Capital raised during the year (Amount Rs. in Lacs)	
	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III	Position of Mobilization and Development of Funds (Amount Rs. in Lacs)	
	Total Liabilities	87074.26
	Total Assets	87074.26
	Source of Funds	
	Paid up Capital	2543.14
	Reserves & Surplus	50781.77
	Secured Loans	21950.46
	Unsecured Loans	10484.43
	Deferred Tax Liability	1314.46
	Application of Funds	
	Net Fixed Assets	23849.83
	Investments	14766.89
	Net Current Assets	48457.54
IV	Performance of Company (Amount Rs. in Lacs)	
	Turnover (Including other income)	86686.73
	Total Expenditure (Including prior year expenses)	81224.52
	Profit before Exceptional item & Tax	5462.21
	Exceptional & Extraordinary item	-542.01
	Profit before tax	6004.22
	Profit after tax	4718.07
	Earning per Share (Equity) (Annualised)	1.86
	Dividend Rate	40%
V	General Names of Three Principal Products	
	Item Code No. (ITC Code)	32041751
	Product Description	Pigment Green
	Item Code No. (ITC Code)	380810
	Product Description	Cypermethrin
	Item Code No. (ITC Code)	38081023
	Product Description	Acephate

CONSOLIDATED ACCOUNTS

AUDITORS' REPORT

To,
The Board of Directors
Meghmani Organics Limited
Ahmedabad.

We have audited the attached Consolidated Balance Sheet of **MEGHMANI ORGANICS LIMITED** (the Company) and its Subsidiaries (collectively referred to as "the Group"), as at 31st March, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that, we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. Financial statements of Subsidiaries which reflect total assets of Rs. 56185.21 Lacs as at 31st March, 2011 , total revenue of Rs. 19383.49 Lacs and Net cash flows amounting to Rs. 567.54 Lacs for the year then ended, have been audited by us.
2. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 628.40 Lacs as at 31st March, 2011 , total revenue of Rs. 496.94 Lacs and Net cash flows amounting to Rs. 0.54 Lacs for the year then ended. These financial statement and other financial information have been audited by other Auditor whose report has been furnished to us and our opinion is based solely on the report of such other auditor.
3. We have relied on the un-audited financial statements of two Subsidiaries whose consolidated financials statements reflect total assets of Rs.4549.18 Lacs as at 31st March, 2011, total revenue of Rs. 6464.09 Lacs and Net Cash flow of Rs. (5.97 Lacs) for the year then ended. These un-audited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report is in so far as it related to the amounts included in respect of the subsidiaries, is based solely on such approved un-audited financial statements..
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirement of Accounting Standards (AS) 21, Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006.
5. Based on our audit as aforesaid, and on consolidation of reports of other auditors on the separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, We are of the opinion that the attached Consolidated Financials Statements give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - i. In the case of the Consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2011
 - ii. In the case of the Consolidated Profit and Loss Account, of the Profit of the Company for the year ended on that date AND
 - iii. In case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Ahmedabad
Date: 27.05.2011

For M/S PATEL & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
(M. M. KHANDWALA)
PARTNER
Membership No. 32472

Consolidated Balance Sheet as at 31st March 2011

Particulars	Sch. No.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	254,314,211	254,314,211
Reserves and Surplus	2	4,688,498,318	4,418,731,193
		4,942,812,529	4,673,045,404
Minority Interest		599,554,629	681,737,496
Loan Funds			
Secured Loans	3	5,803,822,004	5,260,328,020
Unsecured Loans	4	1,348,442,610	1,133,299,766
		7,152,264,614	6,393,627,786
TOTAL		12,694,631,772	11,748,410,686
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		8,884,180,060	8,106,403,696
Less: Depreciation		2,345,588,043	1,696,346,104
Net Block		6,538,592,017	6,410,057,592
Capital Work in Progress		688,082,746	438,087,113
		7,226,674,763	6,848,144,705
Investments	6	359,189,890	193,039,281
Deferred Tax Assets		122,193,797	36,417,559
Current Assets, Loans and Advances			
Inventories	7	1,524,745,156	1,386,309,815
Sundry Debtors	8	3,439,678,459	3,156,863,509
Cash and Bank Balances	9	229,417,869	220,021,120
Loans and Advances	10	1,766,620,371	1,645,543,097
Total Current Assets		6,960,461,855	6,408,737,541
Less : Current Liabilities & Provisions			
Liabilities	11	1,776,577,880	1,538,470,684
Provisions	12	197,310,653	199,457,716
Total Current Liabilities		1,973,888,533	1,737,928,400
Net Current Assets		4,986,573,322	4,670,809,141
Significant Accounting Policies & Notes forming part of accounts	23		
TOTAL		12,694,631,772	11,748,410,686

As per our attached report of even date

For M/s Patel & Khandwala

Chartered Accountants

FRN - 107647W

(M M Khandwala)

Partner

Membership No - 32472

Place : Ahmedabad

Date : 27.05.2011

K.D. Mehta
Company Secretary

For and on behalf of the Board

J M Patel - Executive Chairman

A N Soparkar - Managing Director

N M Patel - Managing Director

Place : Ahmedabad

Date : 27.05.2011

Consolidated Profit and Loss Account for the year ended on 31st March 2011

Particulars	Sch. No.	31.03.2011 Rs.	31.03.2010 Rs.
Income			
Gross Sales		11,075,156,455	8,688,687,183
Less: Excise Duty		828,418,077	525,963,630
Net Sales	13	10,246,738,378	8,162,723,553
Other Income	14	231,779,231	227,258,127
Total Income		10,478,517,609	8,389,981,680
Expenditure			
(Increase)/Decrease in Stock	15	114,530,548	24,758,312
Trading Purchases	16	549,910,390	407,383,187
Raw Materials Consumption	17	6,076,219,757	4,976,792,785
Manufacturing Expenses	18	917,270,837	675,557,686
Employees Emoluments	19	397,682,092	312,593,322
Administration Expenses	20	218,563,148	7,370,212
Selling and Distribution Expenses	21	654,784,208	523,487,230
Financial Expenses	22	579,226,834	418,712,051
Depreciation		686,476,219	514,279,447
Total Expenditure		10,194,664,033	7,860,934,232
Profit Before Exceptional, Extraordinary Items & Tax		283,853,576	529,047,448
Exceptional Items		(60,170,368)	47,161,842
Extraordinary Item		2,500,000	-
Profit Before Tax		341,523,944	481,885,606
Payment & Provision of Current Tax		129,418,907	241,397,254
Deferred Tax		(85,776,238)	(155,765,692)
Profit After Tax		297,881,275	396,254,044
Minority Interest		(82,182,867)	(120,508,290)
Profit available for Appropriation		380,064,142	516,762,334
Appropriations :			
Transfer to General Reserve		50,000,000	65,000,000
Proposed Dividend		101,725,684	101,725,684
Dividend Tax		16,502,449	16,895,365
Profit carried forward to Balance Sheet		211,836,009	333,141,285
Significant Accounting Policies & Notes forming part of accounts	23		
Total		380,064,142	516,762,334
Basic and Diluted Earning per share before Extraordinary item of face value of Re. 1 each		1.50	2.03
Basic and Diluted Earning per share after Extraordinary item of face value of Re. 1 each		1.49	2.03

As per our attached report of even date

For M/s Patel & Khandwala

Chartered Accountants

FRN - 107647W

(M M Khandwala)

Partner

Membership No - 32472

Place : Ahmedabad

Date : 27.05.2011

K.D. Mehta
Company Secretary

For and on behalf of the Board

J M Patel - Executive Chairman

A N Soparkar - Managing Director

N M Patel - Managing Director

Place : Ahmedabad

Date : 27.05.2011

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs
Schedule - 1 - SHARE CAPITAL		
Authorized Share Capital :		
370,000,000 (P.Y. 370,000,000) Equity Shares of Rs. 1/- (PY Rs.1/-) each	370,000,000	370,000,000
Issued Subscribed and Paid Up Share Capital :		
254,314,211 (P.Y. 254,314,211) Equity Shares of Rs. 1/- Each Fully paid up	254,314,211	254,314,211
Total	254,314,211	254,314,211

Of the above :-

- (1) 36,000,000 Equity Shares of Rs. 1/- each issued as Bonus shares by capitalization of Profit and Loss Account in the ratio of 9:14.
- (2) 23,000,000 Equity shares of Rs. 1/- each issued to new stream of promoters on the Right basis.
- (3) 69,362,980 Equity Shares of Rs. 1/- each issued on private placement of Equity to Investors and Core Promoters.
- (4) 18,432,980 Equity Shares of Rs. 1/- each were bought back at the rate of Rs. 8.50 per share during 2001-02.
- (5) 34,700,000 Equity Shares of Rs.1/- each were issued as initial public offer at Singapore under depository system. Equity Shares of Rs.1/- each were issued as initial public offer at Singapore under depository system.
- (6) 53,684,211 Equity Shares of Rs.1/- each were issued as initial public offer to list its equity shares on Indian Stock Exchanges.

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs
Schedule - 2 - RESERVES AND SURPLUS		
(1) Securities Premium Account		
As per last year accounts	1,565,048,295	1,565,048,295
(2) Capital Reserve		
As per last year accounts	3,519,810	3,519,810
(3) General Reserve		
As per last year accounts	554,270,348	489,270,348
Add : Transferred from Profit and Loss Account	50,000,000	65,000,000
	604,270,348	554,270,348
(4) Capital Redemption Reserve		
As per last year accounts	18,432,980	18,432,980
(5) Currency Translation Reserve		
As per last account	(2,596,486)	7,396,414
Add : Current year effect	7,931,116	(9,992,900)
	5,334,630	(2,596,486)
(6) Profit & Loss Account		
As per last year accounts	2,280,056,246	1,946,914,961
Add : Surplus for the year Brought Forward	211,836,009	333,141,285
	2,491,892,255	2,280,056,246
Total	4,688,498,318	4,418,731,193

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs
Schedule - 3 - SECURED LOANS		
Privately Placed Non - Convertible Debentures :		
10.40% Non - Convertible Debenture redeemable at par		
In Indian currency	1,000,000,000	-
Term Loan Facilities from Banks :		
In Indian currency	2,415,403,125	2,773,240,625
In Foreign currency	1,475,509,699	1,639,162,342
Working Capital Facilities from Banks :		
In Indian currency	840,999,880	688,487,091
In Foreign currency	71,909,300	159,437,962
Total	5,803,822,004	5,260,328,020

Notes :

- 1 Working capital facilities from State Bank of India, HDFC Bank Limited and ICICI Bank Limited (Collectively known as Consortium Bankers) are secured by
 - (a) First Pari Passu charge created on 25.05.2005 to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) for Rs. 1553.50 million by way of hypothecation of the entire stock of raw material, work in process, finished goods, stores and spares and receivables now stands modified and increased to Rs. 3430.80 million in favour of State Bank of India (Rs. 1987.40 million), HDFC Bank Limited (Rs. 619.40 million) and ICICI Bank Limited (Rs. 824.00 million).
 - (b) First Pari Passu charge on immovable properties to State Bank of India (with HDFC Bank Limited and ICICI Bank Ltd.) as collateral security for the working capital facilities aggregating Rs. 1553.50 million has been extended to secure working capital facility up to Rs. 3430.80 million.
 - (c) The indenture of the mortgage created on immovable properties are located at :
 - (i) Plot No. 168,180,183 and 184 of GIDC Industrial Estate Vatva Ahmedabad;
 - (ii) Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad
 - (iii) Plot No. 21 & 21/1 of GIDC Industrial Estate Panoli, Taluka Ankleshwar,
 - (iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar
- 2 External Commercial Borrowing of USD 11 Million equivalent to Rs. 511.39 million from Standard Chartered Bank, Ahmedabad. The facility is secured by First charge on all the present and Future Moveable Fixed assets financed under term loan including moveable fixed assets held at CH-1-2/A. GIDC Dahej, Taluka Vagra, Bharuch.
- 3 Secured Non-Convertible Debentures of Rs. 100,00,00,000/- are secured by way of pari passu charge on Mortgage of immoveable and moveable properties situated at GIDC Vatva, GIDC Panoli, GIDC Dahej, GIDC Ankleshwar and Village Chharodi, Taluka Sanand, District - Ahmedabad

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

- 4 The Company has availed Rupee Term Loan of Rs. 290 Crores from Consortium members of Indian Banks as under :-
- | | |
|--------------------------------|---------------------|
| State Bank of India | Rs. 100 Crs. |
| Bank of India | Rs. 55 Crs. |
| Bank of Maharashtra | Rs. 60 Crs. |
| State Bank of Bikaner & Jaipur | Rs. 35 Crs. |
| Karur Vysya Bank | Rs. 40 Crs. |
| Total | Rs. 290 Crs. |
- 5 The Company has executed a Joint Deed of Hypothecation on 19.05.2008 with State Bank of India in its capacity as Security Trustee for the lenders State Bank of India (SBI), Bank of India (BOI), Bank of Maharashtra(BOM) State Bank of Bikaner and Jaipur (SBBJ) and Karur Vysya Bank (KVB) to secure Rupee Term Loan of Rs. 290 Crores.
- 6 The Company has availed a Foreign Exchange Term Loan by way of External Commercial Borrowing of US \$ 20 million from International Finance Corporation (IFC), Washington, USA.
- 7 The Company has executed Unattested Memorandum of Hypothecation on 11.12.2008 in favour of International Finance Corporation (IFC), Washington, USA represented by State Bank of India in its capacity as Security Trustee to secure Foreign Exchange Term Loan of External Commercial Borrowing of US \$ 20 million by way of creating First Pari Passu charge on all movable properties and Second Pari Passu Charge on all Current Assets of the Company.
- 8 The indenture of mortgage on immovable properties of the Company situated at Plot NO. CH 1 and CH 2 has been created on 11.12.2008 with State Bank of India as Trustee for the lenders viz., SBI, BOI, BOM, SBBJ, KVB to secure term loan of Indian Banks of Rs. 290 Crores and for Foreign Term Loan by way of ECB from IFC of US \$ 20 million.
- 9 The Company has availed working capital facility of Rs. 31 Crores from State Bank of India and Rs. 14 Crores from Bank of India aggregating to Rs. 45 Crores. The entire facility of Rs. 45 Crores has been secured by primary security of first charge (pari passu) by way of hypothecation of all chargeable current assets of the Company including stocks and receivables and collaterally secured by Second Pari passu charge on the fixed assets of the Company.
- 10 25,00,000 US\$ External Commercial Borrowing from ICICI Bank Ltd. - Bahrain disbursed in June'07. The said term loan is secured by exclusive charge on all movable and immovable fixed assets purchased out of this facility.
- (a) First pari passu charge on all movable and immovable fixed assets both present and future.
- (b) The Indenture of the mortgage to be created on all movable and immovable fixed assets are located at : Plot No.398, Village Chharodi, Taluka Sanand, District Ahmedabad- 382170

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs
Schedule - 4 - UNSECURED LOANS		
Short Term		
From Banks - In Indian Currency	1,156,684,110	802,452,740
From Banks - In Foreign Currency	191,758,500	325,525,000
From Corporates	-	5,322,026
Total	1,348,442,610	1,133,299,766

Notes :

- 1 Short Term Loan from banks includes Commercial papers Rs. 200,000,000 (Previous Year Nil)

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

Schedule -5
Fixed Assets As on 31st March 2011

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net Block			
		Opening	Addition	Deduction	Transfer & Adjustments	Closing	Opening	Provision For the Year	Transfer to Pre Oprative	Deduction	Transfer & Adjustments	Closing Balance 31.03.2011	Closing Balance 31.03.2010
	Tangible Assets												
1	Freehold Land	28,500,806	-	-	277,593	28,778,399	-	-	-	-	-	28,778,399	28,500,806
2	Leasehold Land	214,822,375	107,411,318	-	-	322,233,693	9,243,145	2,725,594	48,863	-	-	310,216,091	205,579,230
3	Buildings	1,210,286,769	240,122,289	18,428,342	1,309,152	1,433,289,868	116,526,636	39,670,357	656,013	3,734,599	95,175	1,280,076,286	1,093,760,133
4	Plant & Machinery	6,254,473,587	413,666,043	66,675,404	1,652,698	6,603,116,924	1,447,963,174	576,812,599	3,190,155	35,059,286	2,321,932	1,995,228,574	4,806,510,413
5	Furniture & Fixtures	43,736,640	3,061,711	-	27,646	46,825,997	18,425,519	2,883,588	-	-	12,464	21,321,571	25,504,426
6	Vehicles	86,513,864	19,272,969	6,866,312	402,321	99,322,842	22,728,967	8,768,994	14,108	3,139,500	192,572	28,565,141	63,784,897
7	Other Equipments	51,495,687	3,515,051	1,022,045	46,281	54,034,974	24,312,219	4,999,207	34,791	3,746	38,400	29,380,871	27,183,468
	Sub Total	7,889,829,728	787,049,381	92,992,103	3,715,691	8,587,602,697	1,639,199,660	635,860,339	3,943,930	41,937,131	2,660,543	2,239,727,341	6,250,630,068
	Intangible Assets												
1	Licences	68,790,644	54,470,183	-	53,212	123,314,039	23,866,444	18,086,172	411,090	-	9,220	42,372,926	44,924,200
2	ETP Usage Rights	147,783,324	25,480,000	-	-	173,263,324	30,695,663	32,529,708	-	-	-	63,225,371	117,087,661
	Sub Total	216,573,968	79,950,183	-	53,212	296,577,363	54,562,107	50,615,880	-	-	9,220	105,598,297	162,011,861
	Sub Total - A	8,106,403,696	866,999,564	92,992,103	3,768,903	8,884,180,060	1,693,761,767	686,476,219	3,943,930	41,937,131	2,669,763	2,345,325,638	6,538,854,422
	Capital WIP	405,505,622	652,296,699	389,355,193	(411,334)	668,035,794	2,584,337	-	-	976,375	(1,345,557)	262,405	402,921,285
	Expenses during construction period	32,581,491	48,355,051	60,889,590	-	20,046,952	-	-	-	-	-	-	32,581,491
	Sub Total - B	438,087,113	700,651,750	450,244,783	(411,334)	688,082,746	2,584,337	-	-	976,375	(1,345,557)	262,405	435,502,776
	Total = A+B	8,544,490,809	1,567,651,314	543,236,886	3,357,569	9,572,262,806	1,696,346,104	686,476,219	3,943,930	42,913,506	1,324,206	2,345,588,043	6,848,144,705
	Previous Year	7,354,583,760	5,516,292,147	4,321,175,894	(5,209,204)	8,544,490,809	1,175,793,342	514,279,447	8,367,894	1,687,343	(407,230)	1,696,346,104	6,178,790,418

Note

1 Capital WIP includes Capital Advances of Rs 87,570,652 (Previous Year Rs 44,066,357) & Cost of Construction Material of Rs 6,173,655 (Previous Year Rs Nil)

2 Deduction / Adjustments above includes gross block of assets located at the Panoli Unit - II amounting to Rs.85103746 and related accumulated depreciation of Rs. 38793886 destroyed by fire during the current year. Insurance Claim Receivable amounting to Rs. 46309860 for these assets has been included in " Loans & Advances" Schedule 10 of the financial statement.

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs	As at 31.03.2010 Rs
Schedule - 6 - INVESTMENTS (At Cost)		
Quoted Equity Shares fully paid up - Non Trade		
2,000 Equity Shares of Saket Project Limited of Rs. 100/- each (Market Value of the Investment being not available valued at Nominal Value of Rs. 10/- Per Share) (P.Y. 2,000 Equity Shares)	20,000	20,000
Sub Total (a)	20,000	20,000
Unquoted Equity Shares fully paid up - Non Trade		
4 Equity Shares of Alaukik Owners Association of Rs. 100/- each (P.Y. 4 Equity Shares)	400	400
491,585 Equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of Rs. 10/- each (P.Y. 491,585 Equity Shares)	4,915,850	4,915,850
14,000 Equity Shares of Bharuch Environ Infrastructure Ltd. of Rs. 10/- each (P.Y. 14,000 Equity Shares)	140,000	140,000
500 Equity Shares of Green Environment Services Co. Op. Society Ltd. of Rs. 10/- each (P.Y. 500 Equity Shares)	5,000	5,000
8,200 Equity Shares of Lanzorate Finance Limited of Rs. 10/- each (P.Y. 8,200 Equity Shares)	82,000	82,000
30,000 Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- each (P.Y. 30,000 Equity Shares)	300,000	300,000
100 Equity Shares of Sanand Eco Project Ltd. of Rs. 10/- each (P.Y. 100 Equity Shares)	1,000	1,000
2,000 Equity Shares of Suvikas Peoples Co-Op. Bank of Rs. 50/- each (P.Y. 2,000 Equity Shares)	100,000	100,000
10 Equity Shares of Vellard View Premises Co. Op. Society Ltd. of Rs. 50/- each (P.Y. 10 Equity Shares)	500	500
Sub Total (b)	5,544,750	5,544,750
Government Securities - Trade		
National Savings Certificates	38,000	18,000
Sub Total (c)	38,000	18,000

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

Particulars	As at	As at
	31.03.2011	31.03.2010
	Rs	Rs
Other Current Investment - Quoted Non Trade		
- Principal Mutual Fund (P.Y. 606,896 Units)	-	6,076,421
2,738,370 Reliance Money Manager Fund (P.Y. 10,255 Units)	101,160,906	10,268,745
- Canara Robeco Treasury Advantage (P.Y. 1,628,722 Units)	-	20,207,711
- IDFC Money Manager Treasury Plan (P.Y. 5,029,470 Units)	-	50,300,739
- Religare Ultra Short Term Fund (P.Y. 5,015,089 Units)	-	50,312,882
- SBI - SHF - Ultra - Short Term Fund (P.Y. 5,025,988 Units)	-	50,290,033
2,029,299 L & T Freedom Income - STF (P.Y. Nil Units)	20,607,933	
5,011,683 Birla Sunlife Cash Manager (P.Y. Nil Units)	51,222,933	-
4,082,757 UTI Mutual Fund (P.Y. Nil Units)	48,765,492	-
3,521,568 ICICI Prudential Flexible Income Plan (P.Y. Nil Units)	50,236,638	-
2,010,526 Religare UST Plan (P.Y. Nil Units)	30,543,708	-
3,088,501 ING Treasury Advantage Fund (P.Y. Nil Units)	30,895,204	-
2,015,429 Fidelity Ultra Short Term Debt Fund (P.Y. Nil Units)	20,154,326	-
Sub Total (d)	353,587,140	187,456,531
Total	359,189,890	193,039,281

Note - (1) - For investment purchase and sold During the year, refer to note No. 8 Schedule 23

Note - (2) - Market Value of Other Investment is Rs. 353,811,635

Schedule - 7 - INVENTORIES		
Stock of Raw Materials	670,568,336	448,836,386
Stock of Trading Goods	125,621,588	128,399,640
Stock of Work In Process	30,585,288	28,794,147
Stock of Finished Goods	567,176,863	686,687,666
Stock of Stores, Packing & Others	130,793,081	93,591,976
Total	1,524,745,156	1,386,309,815
Schedule - 8 - SUNDRY DEBTORS (Unsecured and considered good)		
Exceeding Six Month	669,468,418	635,318,991
Others (Includes Rs. 486.74 Lacs (P.Y. Rs. 614.34 Lacs) due from firm or a Company in which some of the Directors are interested)	2,785,210,041	2,536,544,518
	3,454,678,459	3,171,863,509
Less : Provision for Doubtful Debts	(15,000,000)	(15,000,000)
Total	3,439,678,459	3,156,863,509

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

Particulars	As at 31.03.2011 Rs	As at 31.03.2010 Rs
Schedule - 9 - CASH AND BANK BALANCES		
Cash on hand	2,262,677	2,257,074
Balance with Schedule Banks in Current Accounts	210,317,989	200,483,588
Deposits with Schedule Banks	16,837,203	17,280,458
Total	229,417,869	220,021,120
Schedule - 10 - LOANS AND ADVANCES (Unsecured Considered good)		
Export Benefits Receivable	225,025,808	257,687,634
Staff Advances	4,291,725	4,656,589
Balance with Central Excise	478,184,624	612,246,176
Deposits	72,745,784	66,754,254
Advance Payment of Income Tax (net of Provision for tax)	106,046,079	74,283,534
Advance Payment of FBT (net of Provision for tax)	125,846	125,846
Other Current Assets	643,481,017	353,749,381
Advance Payment to Vendors	236,719,488	276,039,683
Total	1,766,620,371	1,645,543,097
Schedule - 11 - CURRENT LIABILITIES		
Sundry Creditors due to Undertakings as per MSMED Act.	42,354,102	32,876,255
Sundry Creditors (Other than MSMED Act.)	1,283,868,734	1,062,886,769
IPO Refund Payable*	103,918	106,400
Other Trade Payable	344,935,339	374,808,342
Statutory Liabilities	104,245,247	67,113,377
Unpaid Dividend (F.Y.2007-2008)*	296,901	270,711
Unpaid Dividend (F.Y.2008-2009)*	273,953	408,830
Unpaid Dividend (F.Y.2009-2010)*	499,686	-
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
Total	1,776,577,880	1,538,470,684
Schedule - 12 - PROVISIONS		
Provision for Tax (net of advance income tax)	48,316,334	55,332,669
Provision for Employee Benefits	30,766,186	25,503,998
Dividend Payable (Proposed)	101,725,684	101,725,684
Corporate Dividend Tax Payable	16,502,449	16,895,365
Total	197,310,653	199,457,716

**Schedule forming part of the Consolidated Profit and Loss Account
For the year ended on 31st March 2011**

Particulars	As at 31.03.2011 Rs	As at 31.03.2010 Rs
Schedule - 13 - SALES		
Manufacturing Goods		
Export Sales	5,040,696,558	4,308,035,945
Local Sales	4,111,980,128	2,972,594,157
	9,152,676,686	7,280,630,102
Trading Goods		
Export Sales	354,789,999	275,035,345
Local Sales	739,271,693	607,058,106
	1,094,061,692	882,093,451
Total	10,246,738,378	8,162,723,553
Schedule - 14 - OTHER INCOME		
DEPB Income	203,765,849	207,024,236
Duty Draw Back Benefit	430,906	331,616
Interest Received	7,061,515	15,350,812
Rent Received	197,885	249,001
Dividend Income	10,346,299	346,386
Commission - Export	702,714	-
Misc. Income	6,330,313	1,961,100
Insurance claims	2,943,750	-
Sales of ETP Rights	-	255,510
Commission	-	1,739,466
Total	231,779,231	227,258,127
Schedule - 15 - (INCREASE) / DECREASE IN STOCK		
Opening Stock of Finished Goods	554,294,047	575,706,162
Opening Stock of Trading Goods	128,399,640	142,654,431
Excise Duty on Stock of Finished Goods	57,408,463	37,767,438
Goods in Transit	69,017,990	-
Opening Stock of Work In Process	28,794,147	106,544,568
	837,914,287	862,672,599
Closing Stock of Finished Goods	487,876,752	554,294,047
Closing Stock of Trading Goods	125,621,588	128,399,640
Excise Duty on Stock of Finished Goods	57,727,617	57,408,463
Goods in Transit	21,572,494	69,017,990
Closing Stock of Work In Process	30,585,288	28,794,147
	723,383,739	837,914,287
Total	114,530,548	24,758,312

**Schedule forming part of the Consolidated Profit and Loss Account
For the year ended on 31st March 2011**

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
Schedule - 16 - TRADING PURCHASES		
Trading Purchases	549,910,390	407,383,187
Total	549,910,390	407,383,187
Schedule - 17 - RAW MATERIALS CONSUMPTION		
Raw Materials Consumed	6,038,938,360	4,934,944,618
Other Raw Material related expenses	37,281,397	41,848,167
Total	6,076,219,757	4,976,792,785
Schedule - 18 - MANUFACTURING EXPENSES		
Fuel & Steam Consumption	82,143,606	79,124,655
Pollution Control Expenses	135,667,891	92,153,646
Stores Consumed	126,872,785	79,222,656
Repairs and Maintenance	79,649,391	41,086,355
Power Consumption	399,159,507	310,364,768
Other Manufacturing Expenses	93,777,657	73,605,606
Total	917,270,837	675,557,686
Schedule - 19 - EMPLOYEES EMOLUMENTS		
Salary & Wages	244,797,821	200,521,454
Statutory Contribution	11,977,418	11,238,543
Staff Welfare Expenses	30,649,228	22,353,589
Labour Contract Charges	110,257,625	78,479,736
Total	397,682,092	312,593,322

**Schedule forming part of the Consolidated Profit and Loss Account
For the year ended on 31st March 2011**

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
Schedule - 20 - ADMINISTRATIVE EXPENSES		
Rent , Rates & Taxes	22,416,923	9,740,006
Travelling Expenses	15,956,556	17,329,747
Postage and Telephone	14,261,968	16,364,998
Insurance Premium	9,196,575	8,081,637
Stationery & Printing Expenses	8,497,335	9,034,057
Legal & Professional Fees	42,445,999	24,662,375
Advertisement Expenses	4,564,039	4,652,992
Audit Fees	2,010,782	1,727,534
Donations	13,058,937	1,462,279
Repairs & Maintenance to Others	2,900,678	3,136,760
Directors' Remuneration	61,510,755	59,989,061
Directors' Sitting Fees	519,997	510,000
Vehicle Expenses	12,650,250	8,883,374
Stock Exchange Expenses	6,202,704	6,799,478
Software Expenses	3,220,247	1,692,760
Exchange Rate Difference Others	(27,916,645)	(226,344,972)
Bad Debts / Sundry Balances written off	(584,357)	3,995,554
(Profit) / Loss on Sale of Assets	1,357,228	876,579
Loss on Discarded Assets	-	22,494,857
(Premium) / Discount on Forward Contracts	(6,445,543)	(2,378,616)
Other Expenses	32,738,720	34,659,752
Total	218,563,148	7,370,212
Schedule - 21 - SELLING AND DISTRIBUTION EXPENSES		
Export Clearing & Forwarding Expenses	76,677,272	64,426,025
Transportation Expenses	176,756,925	125,543,995
Marine Insurance	6,599,282	4,911,902
Sales Commission	74,942,263	75,788,441
Business Promotion Expenses	25,918,316	10,250,539
Packing Material Consumption	198,668,648	182,969,645
Other Selling Expenses	95,221,502	59,596,683
Total	654,784,208	523,487,230
Schedule - 22 - FINANCIAL EXPENSES		
Interest	551,398,694	392,389,723
Other Financial Charges	27,828,140	26,322,328
Total	579,226,834	418,712,051

Schedule - 23 - Significant Accounting Policies to the Consolidated Balance Sheet and Profit and Loss Accounts

1. Principles of consolidation

The Consolidated Financial statements relate to Meghmani Organics Limited ("the Company") and its subsidiary companies. The Consolidated financial statements have been prepared on the following basis :-

- a) The financial statements of the Company and its Subsidiary Companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- b) In case of Foreign Subsidiaries being non integral operations, revenue items are consolidated at the average of rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Any exchange rate difference arising on consolidation is recognised in the currency translation reserve.
- c) The difference between the costs of investment in Subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) Minority interest's share of the net profit of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attribute to shareholders of the Company.
- e) Minority interest's share of the net assets of Consolidated Subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholder.
- f) As far as possible the Consolidated Financial Statements are prepared using accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Investments other than in subsidiaries and associates have been accounted as per Accounting standard (AS) 13 "Accounting for Investments".

3. Other significant accounting policies :-

These are set out under "Significant accounting policies" as given in the Standalone Financial statements of Meghmani Organics Limited."

1. The Subsidiary Companies considered in the financial statements are :-

Name of the subsidiaries	Country of domicile	Proportion of ownership interest
Meghmani Finechem Limited	India	57%
Meghmani Energy Limited	India	70%
Meghmani Europe BVBA	Belgium	100%
Meghmani Organics USA Inc.	USA	100%
Meghmani Chemtech Limited	India	97%
PT Meghmani Organics Indonesia	Indonesia	100%

Schedule - 23 Notes on Accounts to Consolidated Balance Sheet And Profit & Loss Account

2. The figures of previous year are regrouped and rearranged wherever necessary so as to make them comparable with the current year. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent Company's Financial Statements.

3. DEFERRED TAX

	Rs. in Lacs	
	March 31, 2011	March 31, 2010
Deferred Tax Liabilities	4382.35	4234.45
Deferred Tax Assets	(5604.29)	(4598.63)
Net position	(1221.94)	(364.18)

The movement for the relevant periods in the Group's Deferred Tax position is as follows:

	Rs. in Lacs	
	March 31, 2011	March 31, 2010
At the beginning of period	(364.18)	1193.49
Charge to Profit & Loss Account for the period	(857.76)	(1557.67)
At the end of period	(1221.94)	(364.18)

Deferred Tax Liabilities are mainly represented by the tax effect of the excess of net book value over tax written down value of certain qualifying assets. The movement for the relevant periods in the Group's Deferred Tax Liabilities is as follows:

	Rs. in Lacs	
	Tax depreciation	Totals
At April 1, 2010	4234.45	4234.45
Charge to expenses for the year	147.90	147.90
At March 31, 2011	4382.35	4382.35

Deferred Tax Assets are mainly represented by the tax effect of provision for doubtful receivables / bad debts written off and others include liability for leave encashment and retirement benefits and disallowances under Section 43B & 40(b) of Income Tax Act and carry forward losses. The movement for the relevant periods in the Group's Deferred Tax assets is as follows:

	Provision for doubtful debts	Others	Total
At April 1 2010	(50.98)	(4547.65)	(4598.63)
Charge to Income/Expenses for the year	0	(1005.66)	(1005.66)
At March 31 2011	(50.98)	(5553.31)	(5604.29)

Schedule - 23 Notes on Accounts to Consolidated Balance Sheet And Profit & Loss Account

4. EARNING PER SHARE

Particulars	31.03.2011	31.03.2010
Net Profit after Minority Interest attributable to shareholders	380,064,142	516,762,334
Weighted average number of equity shares at the end of year	254,314,211	254,314,211
Nominal value of share	1.00	1.00
Basic / Diluted earning per share before extraordinary items	1.50	2.03
Basic / Diluted earning per share after extraordinary items	1.49	2.03

5. FINANCIAL DERIVATIVES

The Group uses derivative contracts to manage its foreign currency exposures relating to the underlying transactions and firm commitments. The Group doesn't enter into any derivative instruments for trading or speculation purpose. The derivative contracts outstanding as on 31st, March 2011 are as under.

Sr. No.	Particulars	No of contracts	Amount in USD (in lacs)	Amount in Euro (in lacs)	Rs. in Lacs
1	Forward Contract	65 (46)	162.50 (115.00)	6.00 (-)	7626.98 (5163.50)
2	Option Contract	5 (5)	252.50 (402.50)	- (-)	11260.24 (18072.25)
3	Option & Swap Contract (ECB)	2 (2)	110.00 (140.00)	- (-)	4905.45 (6286.00)
4	Interest Currency Swap of Non-Convertible Debentures	4 (-)	74.87 (-)	- (-)	3338.65 (-)
5	Option & Swap Contract (ECB)-MEL	1 (1)	14.58 (18.75)	- (-)	650.34 (841.87)
6	Option & Swap Contract (ECB)-MFL	4 (4)	200.00 (200.00)	- (-)	8919.00 (8980.00)

Note - Previous year figures are shown in brackets.

6. BORROWING COST

The Group has incurred borrowing cost of Rs.304.87 lacs (Previous Year Rs.3862.80 lacs) on qualifying assets of the project of the Group Company during the year which has been capitalised to fixed assets on completion of Project and Commencement of Commercial Production by the group Company.

7. The Group has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating lease are charged to Profit and Loss Account for the year Rs. 188.55 Lacs (Previous year Rs. 90.14 Lacs)

Not later than 1 year Rs. 188.55 lacs (Previous year Rs. 90.14 lacs)

Not later than 5 years Rs. Nil. (Previous year Rs. Nil)

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

8. During the year the Group has acquired and Sold following Investments in Mutual Funds.

Particular	Face Value	Purchase Cost	
		Units	Value
Canara Robeco Indigo growth Fund	10	1000000	10000000
Canara Robeco Liquid fund growth	10	580396	9857800
IDFC Money Manager Treasury Plan	10	2011327	20116284
IDFC Money Manager Treasury Plan - MI	10	979115	10000000
SBI Magnum MIP - Growth Option	10	515724	10000000
SBI Magnum Insta Cash Daily Dividend	10	600801	10063589
Axis Liquid Fund	1000	19980	19980200
Axis Income Saver Growth - MIP	10	1000000	10000000
Reliance Money Manager Fund	1000	29959	30000000
Birla Sunlife Cash Manager	10	4998500	50000000
UTI Mutual Fund - Treasury Adv Daily Dividend	1000	49989	50000000
ICICI Prudential Flexible Income Plan	100	378304	40000000
Religare UST Plan	10	2994879	30000000
Fidelity Ultra Short Term Debt Fund - (DD-RI)	10	1999500	20000000

9. The Group Company has written down the value of inventory of trading goods to the extent of Rs. 32.68 Lacs (P.Y. Rs. 462.60 Lacs) in view of quality of goods.

10. The Group has amortised Goodwill of Rs. Nil (P.Y. Rs. 200.97 Lacs) to the Profit and Loss account of the current year being the excess of cost of investment in subsidiary company over the company's portion of equity of subsidiary at the date of investment.

11. (a) During the year, a fire occurred in Unit - II of Panoli Division belonging to Pigment Segment. The Company incurred a loss / Expenses for Rs.2117.80 Lacs relating to Stock of goods and Fixed Assets destroyed by fire. Accordingly, the Company has lodged a claim with Insurance Company and has received Rs.800.00 Lacs towards part payment of the above claim.

As per the past practice, The Company's Management have estimated a loss of Rs. 25.00 Lacs being short recoverable from the insurance company which has been charged to Profit and Loss Account as an extraordinary item

(b) Loans and Advances include a sum of Rs. 1292.80 Lacs towards claim preferred on account fire claim with Insurance Company on the basis of loss / expenses incurred by the Company which are pending settlement with the Insurance Company. The Management is of the view that this is fully recoverable & considered good.

12. The Group Company has entered into a contract for High Sea purchase of Coal with one supplier. However, as per the terms of contract the company get piecemeal delivery of the goods. Therefore the Company is accounting for the purchase on delivery basis of the goods. This accounting treatment does not affect the Profit or Loss of the Company.

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

13. The Group Company has incurred Preoperative expenditure during the construction period are classified as "Expenditure incurred during the construction period" pending capitalization and will be apportioned to the assets on the completion of the Project. Indirect expenses which are not related to bringing the assets to its working condition are charged to Profit and Loss account.

Expenditure Incurred during Construction Period pending capitalisation are:

Particulars	31.03.2011	31.03.2010
Legal & Professional Fees	78336	14,236
Audit Fees	22060	11,030
Finance charges	44509	6,100
Other Administrative Expense	1740989	5,000
Preliminary Expenses	0	43,736
Employee emoluments	165987	0
Total	20,51,881	80,102

14. The Group Companies has provided Depreciation on fixed assets on straight line method at the rate prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on Plant and Machinery has been provided at a higher rates considering useful life of assets as per management estimate as under.

Plant and Machinery Useful Life 10 Years Rate of Depreciation - 9.5%

15. Retirement Benefits

As per revised Accounting Standard 15 (AS-15) "Employees Benefits" issued by The Institute of Chartered Accountants of India, the gross recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2011.

(A) Defined Benefit Plans

I. Components of Employer Expenses

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Current Service Cost	4800553	4148552	675242	754868
(b)	Interest Cost	3185059	2553798	181853	177056
(c)	Expected Return on Plan Assets	(1725912)	(1455654)	-	-
(d)	Actuarial (gain)/loss	380562	127799	(379595)	(680113)
(e)	Total Expenses/(gain) recognized in the Profit & Loss Account	6640262	5374495	478446	251811

II. Net Asset/ (Liability) recognized in Balance Sheet

Sr.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Present value of Funded Obligation	45960640	39376588	2298010	1900297
(b)	Fair Value of Plan Assets	18688677	18738615	-	-
(c)	(Assets)/Liability recognized in the Balance Sheet	27271963	21106633	2298010	1900297

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

III. Change in Defined Benefit Obligations (DBO)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Opening balance of Present Value of Obligation	39370316	31762822	2247867	2201783
(b)	Liability of Outgoing Transferred Employees	-	(41862)	-	(20109)
(c)	Current Service Cost	4800553	4148552	675242	754868
(d)	Interest Cost	3185059	2553798	181853	177056
(e)	Actuarial (Gain)/Loss	322989	2313565	(379595)	(680113)
(f)	Benefit Paid	(1679205)	(1366559)	(428303)	(185618)
(g)	Closing Balance of Present Value of Obligation	45999712	39370316	2297064	1907920

IV Changes in the Fair value of Plan Assets

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Opening Balance of Present Value of Plan Assets	18738615	13576418	-	-
(b)	Assets of Outgoing Transferred Employees	-	(32841)	-	-
(c)	Expected Return on Plan Assets	1725912	1455654	-	-
(d)	Actuarial Gain/(Loss)	(57573)	2185766	-	-
(e)	Contribution by Employer	-	2887336	-	-
(f)	Benefit Paid	(1679205)	(1366559)	-	-
(g)	Fair Value of Plan Assets as at 31st March	18727749	18738615	-	-

V Actuarial Assumptions

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011	2010	2011	2010
(a)	Discount Rate (per annum)	8.09%	8.04%	8.09%	8.04%
(b)	Expected Rate of Return on Assets (per annum)	9.25%	9.00%	0.00%	0.00%
(c)	Annual Increase in Salary Costs (per annum)	6.00%	6.00%	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	Gratuity		Leave Encashment	
	2011	2010	2011	2010
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	0.00%	0.00%

Schedule - 23 Notes on Accounts to Consolidated Balance Sheet And Profit & Loss Account

VII Movement in net liability recognized in balance Sheet

Particulars	Gratuity		Leave Encashment	
	2011	2010	2011	2010
Net opening liability	20631701	18386980	2247867	1907150
Liability of Transferred Employees	-	(9021)	-	(20109)
P & L Charges	6640262	5050026	478446	120016
Contribution paid	-	(2315018)	(428303)	(106760)
Closing net liability	27271963	21112905	2298010	1900297

(B) Defined Contribution Plans

Amount recognised as an expenses as "contribution / provision to and for Provident and other Funds" of profit and loss account - Rs. 107.75 Lacs (Previous year Rs. 94.70 Lacs)

16. SEGMENT REPORTING

For management purpose, the Group is currently organised into three major operating divisions - Pigments, Agro Chemicals and basic chemicals. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Pigments division

To Manufacture and Distribute Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

Agrochemicals division

To Manufacture and Distribute Technical, Intermediates and Formulations of Insecticides.

Basic Chemical

Basic Chemicals undergo processing in many stages before being converted into downstream Chemicals which are used by the Agriculture sector, industry and also directly by the consumers. The Caustic - Chlorine to be manufactured fall under the category of basic chemicals.

(a) **Analysis By Business Segment**

Segment revenue and expense:

Segment revenue and expense are the operating revenue and expense reported in the Group's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued expenses.

Inter-segment transfers:

Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market rates. These transfers are eliminated at the Group level.

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

Financial year ended on March 31, 2011

Figures in lacs

	Pigments	Agro Chemicals	Basic Chemicals	Others *	Elimination	Total
Revenue						
External sales	31488.48	43726.54	15715.75	11536.61	-	102467.38
Inter-Segment Sales	4419.83	6055.56	1645.85	3003.70	(15124.94)	-
Total Revenue	35908.31	49782.10	17361.60	14540.31	(15124.94)	102467.38
Results						
Segment Results	4494.21	2715.81	578.38	638.74	100.20	8527.34
Un-allocable (Expenses)/Income						-
Profit from Operations						8527.34
Finance Cost	-	-	-	-	-	(5792.27)
Investments Income	-	-	-	-	-	103.47
Exceptional Items						601.70
Extraordinary Items						(25.00)
Profit Before Tax						3415.24
Income tax Expenses						(1294.19)
Deferred Tax (Expenses)/Income						857.76
Profit after tax						2978.81
Other information						
Capital Addition	1387.75	10420.50	1625.34	2181.93	61.00	15676.52
Depreciation	(908.69)	(1072.17)	(4610.51)	(276.40)	3.01	(6864.76)
Balance sheet						
Assets						
Segment Assets	26776.38	49534.17	52041.08	10700.55	(19312.04)	119740.14
Un-allocable assets						25723.12
Deferred Tax Assets						1221.94
Consolidated total assets						146685.20
Liabilities						
Segment liabilities	5388.79	14296.78	41342.96	7494.88	(7263.54)	61259.87
Un-allocable Liabilities						30001.66
Consolidated total liabilities						91261.53
Non Cash Expenses other than Depreciation & Amortization						
Unrealized Foreign Exchange (Gain)/Loss	(417.90)	(533.83)	1.35	3.01	25.10	(922.27)
Loss on Sale of Fixed Assets (Net)	2.35	12.07	2.40	0.18	(3.42)	13.58
Un-allocable Non Cash Expenses						
Unrealized MTM Foreign Exchange (Gain)/Loss						(428.24)

*Others includes trading activity and Power Generation

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

Financial year ended on March 31, 2010						Figures in lacs
	Pigments	Agro Chemicals	Basic Chemicals	Others *	Elimination	Total
Revenue						
External sales	23774.37	40779.70	7526.75	9546.42	-	81627.24
Inter-Segment Sales	4372.68	6707.58	961.66	2729.10	(14771.02)	-
Total Revenue	28147.05	47487.28	8488.41	12275.52	(14771.02)	81627.24
Results						
Segment Results	3665.75	6313.99	(1643.79)	(45.66)	887.52	9177.81
Un-allocable (Expenses)/Income						296.32
Profit from Operation						9474.13
Finance Cost	-	-	-	-	-	(4187.12)
Investments Income	-	-	-	-	-	3.46
Exceptional Items						(471.61)
Profit Before Tax						4818.86
Income tax Expenses					(2413.97)	
Deferred Tax (Expenses)/Income						1557.65
Profit after tax						3962.54
Other information						
	Pigments	Agro Chemicals	Basic Chemicals	Others *	Elimination	Total
Capital Addition	1233.94	4655.46	49151.13	522.18	(399.79)	55162.92
Depreciation	(842.27)	(710.32)	(3234.79)	(365.18)	9.77	(5142.79)
Balance sheet						
	Pigments	Agro Chemicals	Basic Chemicals	Others *	Elimination	Total
Assets						
Segment Assets	24776.37	44505.02	54302.00	11222.89	(18821.44)	115984.84
Un-allocable assets						17961.05
Deferred Tax Assets						364.18
Consolidated total assets						134310.07
Liabilities						
Segment liabilities	2617.90	14416.26	40424.76	8475.69	(6692.61)	59242.00
Un-allocable Liabilities						21520.24
Consolidated total liabilities						80762.24
Non Cash Expenses other than Depreciation & Amortization						
Unrealized Foreign Exchange (Gain)/Loss	726.87	946.46	-	123.29	39.73	1836.35
Loss on Sale of Fixed Assets (Net)	3.07	(7.05)	(185.40)	0.50	197.64	8.76
Loss on discarded fixed assets	-	-	23.98	200.97	-	224.95
Un-allocable Non Cash Expenses						
Unrealized MTM Foreign Exchange (Gain)/Loss						(2142.54)

*Others includes trading activity and Power Generation

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

- Pigment and Agro Chemical segment are exclusive of Power Generation units on the basis of its consumption.
- As per Accounting Standard (AS) 17 "Segment Reporting" the Company has reported segment information on consolidated basis including businesses conducted through its Subsidiaries.

(b) Analysis By Geographical Segment**(1) 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's sales by geographical Markets:

Particulars	Rs in lacs	
	2010-11	2009-10
Export	53954.86	51769.02
Domestic	48512.52	29858.22
Total	102467.38	81627.24

(2) Segment assets and capital expenditure:

Segment assets and capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to purchase property, plant and equipment.

Particulars	Rs in lacs	
	2010-11	2009-10
Outside India	25815.17	26750.58
Within India	120875.89	107559.49
Total	146691.06	134310.07

(3) Segment Liability:

Particulars	Rs in lacs	
	2010-11	2009-10
Outside India	16531.29	16980.40
Within India	74736.09	63781.84
Total	91267.38	80762.24

(4) Segment Capital Expenditure:

Particulars	Rs in lacs	
	2010-11	2009-10
Outside India	40.87	82.91
Within India	15635.65	55080.01
Total	15676.52	55162.92

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

17.ADDITIONAL INFORMATION

(1) The estimated amount of contracts remaining to be executed on capital accounts of Rs. 6211.87 Lacs (P.Y. Rs. 1234.75 Lacs) is not provided for.

(2) CONTINGENT LIABILITIES

a) Contingent liabilities not provided for in account:

Rs. In Lacs

Particulars	As on 31.03.2011	As on 31.03.2010
In respect of Bank Guarantees	1243.09	1144.62
In respect of Letters of Credit	1412.42	1276.87
In respect of Inland bills of exchange discounted	Nil	845.06
In respect of Corporate Bank Guarantees	5500.00	2500.00

b) Contingent Liabilities in respect of other statutes.

Name of Statute	Nature of Dues	Amt. in Lacs	Forum where Dispute is pending
Income Tax Act.	Income Tax / Penalty for Various Financial Years 1999-2000 to 2006-2007	877.78	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty (Financial Year 2007-2008 to 2010-2011)	659.93	Commissioner of Central Excise / Director General of Central Excise / Audit team of Central Excise / Central Excise Service Tax Appellate Tribunal
Labour Laws	Compensation Claims	105.79	Labour Court
Value Added Tax	Input Tax Credit	45.83	The Joint Commercial Tax Commissioner Appeal 1
Professional Tax	Employees Professional Tax	0.40	Disputed between Local Authority & Sales Tax Department

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

18. RELATED PARTIES DISCLOSURES :-

- Enterprises in which directors & Key Managerial Personnel [KMP] have significant influence :

Panchratna Corporation
Meghmani Pigments
Ashish Chemicals
Tapsheel Enterprise
Meghmani Infrastructure
Meghmani Dyes and Intermediates Ltd.
Meghmani Industries Limited
Meghmani Chemicals Limited
Fidelity Exports Private Limited
Vidhi Global Chemicals Limited
Vanguard Overseas Limited

- Key Managerial Personnel

Mr. Jayanti M Patel
Mr. Ashish Soparkar
Mr. Natwarlal M Patel
Mr. Ramesh M Patel
Mr. Anand I Patel
Mr. Ashvin Raythatha

- Relatives of Key Managerial Personnel (Employee)

Ms. Deval Soparkar
Mr. Maulik J Patel
Mr. Kaushal Soparkar
Mr. Karna R Patel
Mr. Ankit N Patel

- Relatives of Key Managerial Personnel (Consultant)

Mr. K M Patel

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

Transactions with Related Parties (Rs. In lacs):

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Purchase of Goods	1223.47	224.30	NIL	NIL	NIL	NIL	1223.47	224.30
Sale of Goods	2058.62	3177.13	NIL	NIL	NIL	NIL	2058.62	3177.13
Purchase of Service	828.71	1304.28	NIL	NIL	0.92	0.78	829.63	1305.06
Remuneration	NIL	NIL	615.11	599.89	16.72	20.82	631.83	620.71
Loans Received	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Loan Paid	54.91	272.62	NIL	NIL	NIL	NIL	54.91	272.62
Advance for capital goods	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Interest Expenses	1.69	18.83	NIL	NIL	NIL	NIL	1.69	18.83
Total	4167.40	4997.16	615.11	599.89	17.64	21.60	4800.15	5618.65

Transactions with Related Parties (Rs. In lacs):

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Debtors	486.74	688.99	NIL	NIL	NIL	NIL	486.74	688.99
Creditors	329.89	150.89	NIL	NIL	NIL	NIL	329.89	150.89
Unsecured Loans	NIL	53.22	NIL	NIL	NIL	NIL	NIL	53.22
Salary, PF & Gratuity Payable	NIL	NIL	34.11	31.61	1.10	1.66	35.21	33.27
Advances	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	816.63	893.10	34.11	31.61	1.10	1.66	851.84	926.37

**Schedule - 23 Notes on Accounts to
Consolidated Balance Sheet And Profit & Loss Account**

Disclosure in Respect of Material Transaction with Related Party during the year

Sr. No	Name of Party	Relationship	Nature of Transaction	Amount In Rs. Lacs	Closing Balance Rs. in Lacs
1	Meghmani Pigments	Enterprises in which Directors & KMP have significant influence	Purchase of Finished Goods	190.38	95.23
2	Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	808.53	Nil
3	Meghmani Infrastructures	Enterprises in which KMP & his Relative have significant influence	Purchase of Services	755.38	97.10
4	Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Sales of Finished Goods	513.19	Nil
5	Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sales of Finished Goods	728.97	51.11
6	J M Patel	Key Managerial Personnel	Managerial Remuneration	128.75	6.72
7	A N Soparkar	Key Managerial Personnel	Managerial Remuneration	128.75	6.72
8	N M Patel	Key Managerial Personnel	Managerial Remuneration	128.75	6.72
9	R M Patel	Key Managerial Personnel	Managerial Remuneration	103.03	5.91
10	A I Patel	Key Managerial Personnel	Managerial Remuneration	95.83	5.91
11	Deval A Soparkar	Relative of Key Managerial Personnel	Salary	9.28	0.58
12	Karan R Patel	Relative of Key Managerial Personnel	Salary	5.12	0.36
13	Maulik J Patel	Relative of Key Managerial Personnel	Salary	5.82	0.41
14	Kaushal A Soparkar	Relative of Key Managerial Personnel	Salary	5.30	0.37
15	Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Interest	1.69	Nil

Signature to Schedule 1 to 23

For M/S Patel & Khandwala

Chartered Accountants

FRN - 107647W

(M M Khandwala)

Partner

Membership No. 32472

Place: Ahmedabad

Date : 27.05.2011

K D Mehta

Company Secretary

For and on behalf of the Board

J M Patel - Executive Chairman

A N Soparkar - Managing Director

N M Patel - Managing Director

Place : Ahmedabad

Date : 27.05.2011

Consolidated Cash Flow Statement for the year ended 31st March 2011

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
A. Cashflow from Operating Activities		
Net Profit Before Tax	341,523,944	481,885,606
Adjustment for :		
Depreciation	686,476,219	514,279,447
Prior Period Depreciation	-	348,906
Unrealised Foreign Exchange Gain	15,499,218	(17,430,098)
Interest and Finance Charges	579,226,834	426,031,542
Dividend Received	(10,346,299)	(346,385)
Interest Received	(7,061,515)	(15,347,359)
Claim Received from Insurance Company	(2,924,113)	(6,256,590)
(Profit) / Loss on Sale of Investment	2,710,571	(931,500)
(Profit) on Sale of Land	-	(18,539,818)
Loss on Sale of Fixed Assets (Net)	1,357,228	48,167,844
Operating Profit before Exceptional & Extraordinary Item	1,606,462,087	1,411,861,595
Exceptional Item	147,826,831	(13,188,892)
Extraordinary Items	(2,500,000)	-
Operating Profit before working capital changes	1,751,788,918	1,398,672,703
Adjustment for:		
Inventories	(136,018,143)	(265,961,608)
Debtors	(279,282,334)	(356,673,539)
Loans and Advances	(116,578,662)	(14,415,101)
Current Liabilities	204,803,581	153,280,985
Provision for Employee Benefits	5,239,903	3,568,508
Sub Total	(321,835,655)	(480,200,755)
Cash Generated from operation	1,429,953,263	918,471,948
Direct Taxes Paid	(170,138,128)	(181,146,124)
Net Cash from operating activities	1,259,815,135	737,325,824
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(1,034,381,814)	(1,418,382,254)
Dividend Received	11,125,399	346,385
Interest Received	5,020,926	14,802,330
Purchase of Mutual Fund	(351,000,000)	(722,015,400)
Sales of Mutual Fund	182,673,383	939,089,283
Investment in Others	(20,000)	-
(Profit) / Loss on Sale of Investment	-	555,500
Claim Received from Insurance Company	2,924,113	6,256,590
Sale of Fixed Assets	3,305,500	39,727,880
Net Cash Used in Investing Activities	(1,180,352,493)	(1,139,619,686)

Consolidated Cash Flow Statement for the year ended 31st March 2011

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
C. Cash flow from financing Activities		
Dividend paid	(101,225,998)	(83,923,690)
Tax on dividend	(16,895,365)	(14,262,831)
Interest and Finance Charges Paid	(571,964,659)	(418,134,519)
Non Convertible Debentures	1,000,000,000	-
Bank Borrowing (Term Loan) - Repaid	(137,803,128)	720,472,967
Bank Borrowing (Working Capital)	64,984,127	410,170,181
Proceeds from other Borrowing	2,450,614,648	1,601,034,714
Other Borrowing Repaid	(2,597,302,431)	(1,904,582,375)
Net Cash Used in Financing Activities	90,407,194	310,774,447
Net (Decrease)/ Increase in Cash and Cash Equivalent	169,869,836	(91,519,415)
Cash on Hand -Opening Balance	220,021,120	234,329,049
Cash on Hand -Closing Balance	389,890,956	142,809,634
Reconciliation of Cash and Cash Equivalent at the end of the year		
Cash on Hand	2,262,677	2,257,074
Balance with Schedule Banks in Current Accounts	210,317,989	200,483,588
Deposits with Schedule Banks	16,837,203	17,280,458
Total Cash & Bank Balance as per Balance Sheet	229,417,869	220,021,120
Net effect of change in foreign Exchange rate	160,473,087	(77,211,486)
Cash & Cash Equivalent at the end of the year	389,890,956	142,809,634

Notes to the cash flow statement for the year ended on 31.03.2011

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

As per our attached report of even date

For M/s Patel & Khandwala

Chartered Accountants

(M M Khandwala)

Partner

Membership No - 32472

Place : Ahmedabad

Date : 27.05.2011

K.D. Mehta
Company Secretary

For and on behalf of the Board

J M Patel - Executive Chairman

AN Soparkar - Managing Director

N M Patel - Managing Director

Place : Ahmedabad

Date : 27.05.2011

**Statement pursuant to section 212 of the Companies Act, 1956 related to
Subsidiary companies**

Sr.No.	Name of Subsidiary Company	Meghmani Energy Limited	Meghmani Finechem Limited	Meghmani Chemtech Limited	Meghmani Europe BVBA	Meghmani Organics USA INC	PT Meghmani Organics Indonesia
1.	Financial year of the Subsidiary Company ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
2	Holding company's interest (a) number of share fully paid (b) extent of holding	2,799,600 70%	35,182,333 57%	730,000 97%	2,000 100%	292,500 100%	250,000 100%
		Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
3	Net aggregate amount of profit / (loss) of the Subsidiary, so far as they concern members of the MEGHMANI ORGANICS LTD (i) for the financial year of the subsidiary (a) dealt with in the account of the holding company (b) not dealt with in the account of the holding company (ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary (a) dealt with in the account of the holding company (b) not dealt with in the accounts of the holding company	2.70 1.16 2.11 0.91	(12.48) (9.41) (17.24) (13.00)	(0.04) - -	(1.39) - (1.11)	0.54 - (0.09)	0.37 - (0.54)
4	As the financial year of the subsidiary companies coincide with the financial year of the holding Company, Section 212 (5) of the Companies Act, 1956 is not applicable	-	-	-	-	-	-

**Statement pursuant to section 212 of the Companies Act, 1956 related to
Subsidiary companies**

Sr.No.	Name of Subsidiary Company	Meghmani Energy Limited	Meghmani Finechem Limited	Meghmani Chemtech Limited	Meghmani Europe BVBA	Meghmani Organics USA INC	PT Meghmani Organics Indonesia
1.	Financial year of the subsidiary company ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
2	Holding company's interest (c) number of share fully paid (d) extent of holding	2,799,600 70%	35,182,333 57%	730,000 97%	2,000 99%	292,500 100%	250,000 100%
		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
3	Capital	4.00	61.55	0.75	0.14	1.40	1.23
	Reserves/Translation Reserves	6.69	123.00	-	-0.18	1.03	-0.21
	Debit Balance of Profit & Loss A/c	Nil	52.13	-0.04	-5.24	-	-0.75
	Total Assets (Fixed Assets +Investments+ Current Assets+ Deferred Tax Assets)	21.15	544.03	20.32	22.23	24.11	6.28
	Total Liabilities (Debt + Current Liabilities+ Deferred Tax Liabilities)	10.46	411.61	19.61	27.51	21.68	6.01
	Details of Investments	Nil	-	-	-	-	-
	Income	19.65	173.62	-	16.16	47.77	4.97
	Profit Before Tax	4.67	-31.74	-0.04	-1.39	0.97	0.37
	Provision for Tax	0.81	-9.85	-	-	0.43	-
	Profit After Tax	3.86	-21.89	-0.04	-1.39	0.54	0.37
	Dividend	-	-	-	-	-	-

Notice Of Meeting

NOTICE IS hereby given that the **Seventeenth Annual General Meeting** of the Members of Meghmani Organics Limited (the "Company") will be held on **Friday, 29th July, 2011 at 10.30. a.m.** at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA, Dr. Vikramsarabhai Marg, Vastrapur, Ahmedabad -380 015 to transact the following businesses:-

ORDINARY BUSINESS:

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the financial year ended 31st March, 2011 together with the reports of the Board of Directors and the Auditors thereon.
- 2) To declare dividend.
- 3) To appoint a director in place of Mr. Natwarlal Patel, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a director in place of Mr. Ramesh Patel, who retires by rotation and being eligible offers himself for re-appointment.
- 5) To appoint a director in place of Mr. Anand Patel, who retires by rotation and being eligible offers himself for re-appointment.
- 6) To appoint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration for the financial year ending on 31 March, 2012.

SPECIAL BUSINESS:-

- 7) To Consider and if thought fit to pass the following resolution with or without modification as Ordinary Resolution:-
"RESOLVED THAT in supercession of the resolution passed by the Company in the General Meeting of the Company held on 22 June, 2007 in relation to the exercise of borrowing power, consent of the Company under Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, be and is hereby accorded to the Board of Directors of the Company to borrowing monies for the Company from time to time not exceeding Rs, 1000 Crore as it may consider deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (excluding temporary working capital loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose."
"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company for mortgaging and/or charging, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors of the Company may determine, on all or any of the present and future immovable and/or movable properties of the Company and/or the whole or any part of the undertaking (s) of the Company in favour of any or all of the followings :-
- 8) To Consider and if thought fit to pass the following resolution with or without modification as Ordinary Resolution:-
TO CREATE MORTGAGE/CHARGE UNDER SECTION 293(1)(a)
"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company for mortgaging and/or charging, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors of the Company may determine, on all or any of the present and future immovable and/or movable properties of the Company and/or the whole or any part of the undertaking (s) of the Company in favour of any or all of the followings :-

- (1) State Bank of India, CAG Branch, 58, Shreemali Society, Navrangpura, Ahmedabad 380 014.
- (2) ICICI Bank Limited, at JMC House, Opp. Parimal Garden, Ahmedabad
- (3) HDFC Bank Limited, HDFC House, Mithakhali Cross Roads, Ahmedabad
- (4) Standard Chartered Bank, at Ground Floor, Abhijeet II, Mithakhali Six Roads, Ahmedabad – 380 006

and such other consortium Bank / any other bank to secure, Working Capital facility / Term Loan / Other debt instrument up to Rs. 10,000,000,000 (Rupees One Thousand Crores Only) advanced /to be advanced by them in terms of the loan agreement or any other document, entered into/to be entered into between the Company and the above lenders in respect of the loan/borrowing and containing such terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors of the Company and the above lenders.

"RESOLVED FURTHER THAT any one of the Directors and / or the Company Secretary of the Company be and is hereby authorized to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and to settle any question, difficulty or doubt that may arise in regard to creating the aforesaid mortgages and/or charges and to do and execute all such acts, deeds, matters and things as may be necessary, usual or proper for the purpose of giving effect to this Resolution."

Registered Office : **184, Phase II,
GIDC Industrial Estate,
Vatva, Ahmedabad 382 445
Date: 27th May, 2011**

BY ORDER OF THE BOARD
**FOR, MEGHMANI ORGANICS LIMITED
K.D. MEHTA
COMPANY SECRETARY**

Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
- 2) The proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting
- 3) If the appointer is a corporation, the proxy must be executed under its seal or the hand of its duly authorized officer or attorney.
- 4) Members holding shares in electronic form are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
- 5) The register of Members and share transfer books of the company shall remain closed from Monday 18 July, 2011 to Friday 29th July, 2011 (both days inclusive).
- 6) The final dividend for the year ended 31 March, 2011 as recommended by the Board, if approved at the meeting will be paid within the prescribed statutory period to those members whose names appear in the Company's Register of Members as on book closure date.
- 7) Members desirous of obtaining any information concerning the Financial Statements and operations of the Company are requested to address their questions in writing to the Company at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.
- 8) Explanatory statement as required under Section 173 (2) of the Companies Act, 1956 in respect of Item No. 7 & 8 is annexed and form part of this Notice.
- 9) The Statutory Registers maintained in terms of provisions of the Companies Act, 1956, subject to applicable provisions and all documents referred to in the accompanying notice shall be available for inspection by the Members at the registered office of the Company on all working days between 4.00 p.m. to 6.00 p.m. except Saturday and Sunday up to the date of the Annual General Meeting.
- 10) Pursuant to Clause 49 of the Listing Agreement, the profile of the directors proposed to be re-appointed/appointed is given in a statement containing details of the concerned directors which is annexed to this Notice.
- 11) The Factory visit organized on Saturday, 28th August, 2010 had to be postponed because of poor response. However, the shareholders interested to visit are requested to send their nomination on or before 31 July, 2011.

Statement Regarding The Directors Proposed For Reappointment

In accordance with the Articles of Association of the Company all the Directors are liable to retire by rotation and if eligible may offer themselves for re-election at every Annual General Meeting.

Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel are directors retiring by rotation and being eligible offer themselves for re-appointment. The brief profiles of the directors seeking re-appointment are as under:-

(1) Mr. Natwarlal Patel :-

Mr. Natwarlal Meghji bhai Patel, aged 58 years, is the Managing Director of the Company.

Mr. Natwarlal Patel holds a Masters of Science degree from Sardar Patel University, Gujarat.

Mr. Natwarlal Patel, has more than 31 years experience in the Dyes and Pigments industry, and more than 16 years experience in the Agrochemicals industry.

Together with Mr. Jayanti M Patel Executive Chairman, Mr. Ashish N. Soparkar Managing Director, and Mr. Ramesh M. Patel and Mr. Anand I. Patel, Executive Directors, he was a co-founder and partner of M/s Gujarat Industries, which was subsequently converted to our Company in 1995

He currently oversees the technical matters of the Agrochemicals divisions, as well as the international and domestic marketing of our Agrochemical products.

Mr. Natwarlal M Patel has been re-appointed as Managing Director of the Company on 01 April, 2009 for a period of five years.

Mr. Natwarlal Patel is interested in the following companies and partnership firms.

Name of the firm/concern	Position held
Meghmani Chemicals Limited	Director
Meghmani Energy Limited	Director
Meghmani Finechem Limited	Director
Meghmani Industries Limited	Chairman & Managing Director
Meghmani Dyes & Intermediates Limited	Chairman & Managing Director
Gujarat State Export Corporation Limited	Director
Crop Care Federation Limited	Director
Meghmani Chemtech Limited	Director
Fidelity Exports (Pvt) Limited	Director
Tapsheel Enterprises	Partner

Mr. Natwarlal Patel is the brother of Jayanti Patel and Mr. Ramesh Patel.

Mr. Natwarlal Patel is considered to be interested in the resolution.

(2) Mr. Ramesh Patel :-

Mr. Ramesh Meghji bhai Patel, aged 55 years, is the Executive Director of the Company.

Mr. Ramesh Patel holds a Bachelors of Arts degree from Saurashtra University.

Mr. Ramesh Patel has 31 years experience in the Pigments Industry and 13 years of experience in the Agrochemicals Industry.

Together with our Executive Chairman Mr Jayanti M. Patel, our Managing Directors Mr. Ashish N. Soparkar and Mr. Natwarlal M. Patel and our Executive Director Mr. Anand I. Patel, he was a co-founder and partner of M/s Gujarat Industries, which was subsequently converted to our Company in 1995.

Mr. Ramesh Patel is currently in charge of overseeing purchases made by our Company (including domestic purchases and global imports) and is responsible for all liaisons between our Company and government authorities or other regulatory bodies.

Mr. Ramesh Patel has been re-appointed as Executive Director of the Company on 01 April, 2009 for a period of 5 years.

Mr. Ramesh Patel is interested in the following companies and partnership firms.

Name of the firm/concern	Position held
Meghmani Dyes & Intermediates Limited	Director
Meghmani Industries Limited	Director
Meghmani Energy Limited	Director
Meghmani Finechem Limited	Director
Meghmani Chemtech Limited	Director
Vanguard Overseas Limited	Director
Fidelity Exports (Pvt) Limited	Director
Patel Trading and Investment Company (erstwhile Patel Dyestuff Industries)	Partner

Mr. Ramesh Patel is the brother of Jayanti Patel and Mr. Natwarlal Patel.

Mr. Ramesh Patel is considered to be interested in the resolution.

(3) Mr. Anand Patel :-

Mr. Anand Ishwarbhai Patel, aged 49 years, is the Executive Director of the Company.

Mr. Anand Patel holds a Bachelor of Science degree from the Gujarat University.

Mr. Anand Patel has 24 years experience in the Pigments Industry.

Together with our Executive Chairman Mr Jayanti M. Patel, our Managing Directors Ashish N. Soparkar and Mr Natwarlal M. Patel and our Executive Director Mr Ramesh M. Patel, he was a co-founder and partner of M/s Gujarat Industries, which was subsequently converted to our Company in 1995.

Mr. Anand Patel currently oversees the manufacturing of Pigments at Vatva, and Panoli as well as the International & Domestic marketing of Pigments.

Mr. Anand Patel has been re-appointed as Executive Director of the Company on 01 April, 2009 for a period of 5 years.

Mr. Anand Patel is interested in the following companies and partnership firms.

Name of the firm/concern	Position held
Meghmani Energy Limited	Director
Meghmani Finechem Limited	Director
Vanguard Overseas Limited	Director
Meghmani Dyes & Intermediates Limited	Director
Meghmani Chemtech Limited	Director
Fidelity Exports (Pvt) Limited	Director
Tapsheel Enterprises	Partner
Patel Trading and Investment Company (erstwhile Patel Dyestuff Industries)	Partner
Matangi industries	Partner

Mr. Anand Patel is the Cousin of Mr. Jayanti Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel.

**Explanatory Statement Pursuant To Section 173(2)
Of The Companies Act, 1956****ITEM NO. 7**

As per Section 293(1) (d) of the Companies Act, 1956, the Board of directors of a company can not borrow (apart from temporary loans obtained from the Company's bankers in the ordinary course of business for working capital) in excess of the aggregate of the paid-up capital of the company and its free reserves that is to say reserves not set apart for any specific purpose, without prior approval of the members in general meeting.

The shareholders at the extraordinary general meeting of the company held on 22 June, 2007, had authorized the Board of Directors to borrow up to Rs. 500 Crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business for working capital).

The business operations of the Company have increased multifold since 2007 i.e. turnover has increased from Rs. 419 Crore in FY 2007 to Rs. 900 Crore in FY 2011.

To overcome limitations to borrow for future growth opportunities the Board of Directors therefore recommend increase in borrowing powers to Rs. 1000 Crore (apart from temporary loans obtained from the Company's bankers in the ordinary course of business

Your Directors recommend the resolution for approval.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO. 8

The Consortium of Bankers of the Company viz., State Bank of India, HDFC Bank Limited and ICICI Bank Limited and Standard Chartered Bank, Ahmedabad have increased working capital facilities to Rs. 420 Crore. The Company is also on expansion mode and may borrow the funds for the purpose in future from Banks/ Financial Institutions by way of working capital facilities/term loan / other debt instruments.

The borrowings of a Company, in general, is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the above lenders.

Section 293 (1) (a) of the Companies Act, 1956, provides inter alia that the Board of Directors of the Company shall not except with the consent of the Company in General Meeting mortgage and/or or charge all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking (s) of the Company, to secure borrowings of the Company.

The Loan facility / Credit Facility sanctioned/to be sanctioned would be required to be secured by creating a mortgage and/or pari passu charge on all the present and future immovable and movable properties and the whole of the undertaking of the Company.

The proposed resolution is intended to obtain the consent of the members in conformity with requirements of Section 293(1)(a) of the Companies Act, 1956.

The Board recommends passing the resolution.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

Registered Office:

**184, Phase II,
GIDC Industrial Estate,
Vatva, Ahmedabad 382 445
Date: 27th May, 2011**

**BY ORDER OF THE BOARD
FOR, MEGHMANI ORGANICS LIMITED
K.D. MEHTA
COMPANY SECRETARY**

Meghmani Organics Limited

Registered Office:- 184 Phase II, GIDC, Industrial Estate, Vatva, Ahmedabad 382445

PROXY FORM

DP ID	Client ID	Folio/Demat A/c No.	No. of Shares held

I / Weofbeing a Member / Members of Meghmani Organics Limited holding shares in Folio No. / Demat A/c No. hereby appoint.....of.....or failing him / herof or failing him / herofas my / our Proxy to attend and vote for me / us and on/our behalf at the Seventeenth Annual General Meeting of the said Company to be held on Friday, 29 July, 2011 at 10.30 a.m. at HT Parekh Convention Centre, TorrentAMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 and at any adjournment thereof .

Signed thisday of2011

Affix
Revenue
Stamp

Signature(s) of the Shareholder(s).....

- N.B. (i) This form must be deposited at the Registered Office of the Company not later than 48 Hours before the time of meeting
- (ii) A PROXY NEED NOT BE A MEMBER

.....Tear Here.....

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at Seventeenth Annual General Meeting of Meghmani Organics Limited held on Friday, 29 July, 2011 at 10.30 a.m. at HT Parekh Convention Centre, TorrentAMA Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015

DP ID	Client ID	Folio/Demat A/c No.	No. of Shares held

Full Name of Shareholder
(In block Letters)

Signature

Full Name of Proxy
(In block Letters)

Signature



MEGHMANI ORGANICS LIMITED

World Headquarters : 'Meghmani House'

Shree Nivas Society, Paldi, Ahmedabad - 380007. Gujarat (INDIA)

Tel : +91 79 26640668 / 9, **Fax :** +91 79 26640670

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