



MEGHMANI ORGANICS LIMITED

(Incorporated as a limited liability company in India)

CORPORATE OFFICE: "MEGHMANI HOUSE", SHREE NIVAS SOCIETY, PALDI, AHMEDABAD-380 007. (INDIA)
PHONE: +91-79-26640668. FAX : 91-79-26640670 EMAIL : helpdesk@meghmani.com URL: www.meghmani.com

INTERESTED PERSON TRANSACTIONS FOR PURCHASE AND SALES OF PIGMENT AND AGROCHEMICALS ON ORDER TO ORDER BASIS

1. INTRODUCTION

The Board of Directors of Meghmani Organics Limited (the "Company") wishes to announce that the Company has entered into transactions with the interested persons (as defined in the Listing Manual of the SGX-ST) at an aggregate amount of Rs. 814,633,278 during the Financial Year 2015-16, which has exceeded 3% of the Group's latest audited net tangible assets as at 31 March 2016, details of which are stated below.

2. INTERESTED PERSONS TRANSACTIONS

2.1 Information on Interested Persons

Name of Interested Person	Name of the Directors / Partners	Relationship	% of Shareholding in Interested Person
1. Matangi Industries Partnership firm	Mr. Anand Patel	Executive Director of the Company	5.00%
	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, Managing Director of the Company	12.50%
	Mr. Maulik Patel	Son of Mr. Jayanti Patel, Executive Chairman of the Company	12.50%
	Mr. Karan Patel	Son of Mr. Ramesh Patel, Executive Director of the Company	7.50%
	Mr. Kaushal Soparkar	Son of Mr. Ashish Soparkar, Managing Director & CEO of the Company	12.50%
Total			50.00%

2. Meghmani Dyes and Intermediates LLP	Mr. Natwarlal Patel	Managing Director of the Company	19.80%
	Mr. Ramesh Patel	Executive Director of the Company	19.42%
	Mr. Anand Patel	Executive Director of the Company	5.11%
	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, Managing Director of the Company	10.20%
Total			54.53%
3. Meghmani Industries Ltd	Mr. Natwarlal Patel	Managing Director of the Company	19.94%
	Mr. Ramesh Patel	Executive Director of the Company	17.56%
	Ms. Bharati Patel	Wife of Mr. Natwarlal Patel, Managing Director of the Company	4.72%
	Ms. Kalpan Patel	Wife of Mr. Ramesh Patel, Executive Director of the Company	0.17%
	Ms. Disha Patel	Daughter of Mr. Natwarlal Patel, Managing Director of the Company	0.56%
	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, Managing Director of the Company	4.78%
	Mr. Karan Patel	Son of Mr. Ramesh Patel, Executive Director of the Company	1.83%
	Ms. Vaishakhi Patel	Daughter of Mr. Ramesh Patel, Executive Director of the Company	0.44%
	Total		

4. Vidhi Global Chemicals Ltd.	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, Managing Director of the Company	10.00%
	Ms. Disha Patel	Daughter of Natwarlal Mr. Patel, Managing Director of the Company	10.00%
	Ms. Kruti Patel	Daughter of Mr. Jayanti Patel, Executive Chairman of the Company	10.00%
	Ms. Deval Soparkar	Daughter of Mr. Ashish Soparkar, Managing Director & CEO	20.00%
	Ms. Vaishakhi Patel	Daughter of Mr. Ramesh Patel, Executive Director of the Company	12.00%
	Mr. Darshan Patel	Son of Mr. Anand Patel, Executive Director of the Company	8.00%
Total			70.00%
5. Meghmani Pigments partnership firm	Mr. Jayanti Patel	Executive Chairman of the Company	10.00%
	Mr. Ashish Soparkar	Managing Director & CEO of the Company	10.00%
	Ms. Nayana Soparkar	Wife of Mr. Ashish Soparkar, Managing Director & CEO of the Company	15.00%
	Ms. Tara Patel	Wife of Mr. Jayanti Patel, Executive Chairman of the Company	15.00%
	Mr. Kaushal Soparkar	Son of Mr. Ashish Soparkar, Managing Director & CEO of the Company	25.00%
	Mr. Maulik Patel	Son of Mr. Jayanti Patel, Executive Chairman of the Company	25.00%
Total			100.00%

6. Ashish Chemicals Partnership firm	1) Mr. Jayanti Patel	Executive Chairman of the Company	50.00%
	2) Mr. Ashish Soparkar	Managing Director & CEO of the Company	50.00%
Total			100.00%
7. Meghmani Chemicals Ltd	Mr. Jayanti Patel	Executive Chairman of the Company	25.00%
	Mr. Ashish Soparkar	Managing Director & CEO of the Company	25.00%
	Mr. Natwarlal Patel	Managing Director of the Company	25.00%
	Mr. Ramesh Patel	Executive Director of the Company	15.00%
	Mr. Anand Patel	Executive Director of the Company	10.00%
Total			100.00%
8. Meghmani LLP Limited Liability Partnership firm	Mr. Maulik Patel	Son of Mr. Jayanti Patel, Executive Chairman of the Company	50.00%
	Mr. Kaushal Soparkar	Son of Mr. Ashish Soparkar, Managing Director and CEO of the Company	50.00%
Total			100.00%

2.2 Details of the Transactions

Name of the Company	Amount in Rs.	Amount in S\$,000	Nature of Transaction
Matangi Industries	7,140,426	146,048	Purchase of Pigments
Meghmani Dyes and Intermediates LLP	11,601,388	237,292	Purchase and Sale of Pigments
Meghmani Industries Ltd	14,637,312	299,388	Purchase and Sale of Agrochemicals
Vidhi Global Chemicals Ltd.	614,001,500	12,558,656	Sale of Pigments
Meghmani Pigments	102,909,633	2,104,891	Purchase and Sale of Pigments
Ashish Chemicals (EOU)	24,085,772	492,645	Purchase and Sale of Pigments
Meghmani Chemicals Ltd	51,95,812	106,274	Purchase and Sale of Pigments
Meghmani LLP	35,061,435	717,139	Sale of Pigments
Total	814,633,278	16,662,333	

3. RATIONALE FOR THE INTERESTED PERSONS TRANSACTIONS

- (1) In India Transfer pricing Rules prevails and hence the Group can not transfer the goods at a price lower than the price at which it is selling in the market to other customers.
- (2) During FY 2015-16 the Company has entered into the following transactions of sales and purchases.

Name of Interested Person	Type of the Company	Purchases	Sales	Total
Matangi Industries	Manufacturing Dyes	7,140,426	0	7,140,426
Meghmani Dyes and Intermediates LLP	Manufacturing – Dyes	193,500	11,407,888	11,601,388
Meghmani Industries Ltd	Manufacturing Agrochemicals	9,729,965	4,907,347	14,637,312
Vidhi Global Chemicals Ltd.	Trading Company	306,024,739	307,976,761	614,001,500
Meghmani Pigments	Manufacturing - Pigments	102,909,633	0	102,909,633
Ashish Chemicals (EOU)	Manufacturing - Pigments / Dyes	0	24,085,772	24,085,772
Meghmani Chemicals Ltd	Trading Company	215,200	4,980,612	5,195,812
Meghmani LLP	Manufacturing - Pigments	34,125,211	936,224	35,061,435
Total		460,338,674	354,294,604	814,463,278
% to sales		4.79%	3.68%	
Sales FY 2015-16	9,619,094,672			

- (3) All the transactions with the Interested Persons are entered into an arm's length prices and on normal commercial terms.
- (4) The above interested persons are manufacturing/ trading of Pigment and Agrochemicals. The products manufactured are different from that of the Company. To fulfil demands and the ability to provide efficient services, the marketing team of the interested persons when gets the order of the products manufactured by the Company, purchase it from the Company and supply it to their Customers vis-a-versa the Company team purchase the product of the interested persons to supply to its customers.
- (5) Sales / Purchase transactions are made on order to order basis and not on contractual arrangements.
- (6) Such transactions will generate cash flow for the Group.

4. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed the terms of the Interested Person Transactions ("IPTs"). The Audit Committee and the Board of Directors are of the view that the IPTs are entered into on an arm's length basis on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

5. FUTURE INTERESTED PERSON TRANSACTIONS

The Group intends to enter into future transactions of similar nature with the interested persons as mentioned above in the current financial year ("Future Transactions"). The terms and conditions of the Future Transactions will be agreed between the Company and the interested persons having regard to prevailing market rates and will be based on commercial terms transacted on an arm's length basis.

The value of the IPTs when aggregated with the total value of all other interested person transactions entered into in the same financial year may exceed the financial threshold of 5% prescribed under Rule 906(2) of the Listing Manual.

The Company will seek a general mandate from shareholders for the Future Transactions that are recurrent transactions of revenue or trading nature, as and when required or when the need arises.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors except Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel or substantial shareholders of the Company has any interest, direct or indirect, in the IPTs.

By Order of the Board

Kamlesh Dinkerray Mehta
Company Secretary
2 September 2016