

Full year Financial Statement And Dividend Announcement for the Year Ended 31 March 2016

The Board of Directors of Meghmani Organics Limited (“MOL” or the “Company” or “the Issuer”) wishes to make the following announcement of the Company’s results for the year ended **31 March, 2016** as follows:-

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) An income statement (for the Company and Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			Company		
	Year ended		%	Year ended		%
	31.03.2016	31.03.2015	Increase / (Decrease)	31.03.2016	31.03.2015	Increase / (Decrease)
	Rs. ‘000	Rs. ‘000		Rs. ‘000	Rs. ‘000	Rs. ‘000
Revenue	13,370,168	12,678,278	5.5	9,619,095	9,218,791	4.3
Cost of sales	(10,312,750)	(10,542,088)	-2.2	(7,800,701)	(7,884,544)	-1.1
Gross Profit	3,057,418	2,136,190	43.1	1,818,394	1,334,247	36.3
Other operating income	223,409	318,669	-29.9	219,120	303,334	-27.8
Distribution expenses	(799,245)	(828,181)	-3.5	(702,183)	(722,078)	-2.8
Administrative expenses	(257,611)	(257,394)	0.1	(285,367)	(251,634)	13.4
Other operating expenses	(76,301)	2,880	-2749.3	(78,857)	15,447	-610.5
Profit from operations	2,147,670	1,372,164	56.5	971,107	679,316	43.0
Finance cost	(644,070)	(771,739)	-16.5	(415,917)	(502,073)	-17.2
Income from investments	-	25	n.m.	-	145,633	n.m.
Profit before tax	1,503,600	600,450	150.4	555,190	322,876	72.0
Income tax	(373,332)	(140,641)	165.5	(154,185)	(60,718)	153.9
Profit after income tax	1,130,268	459,809	145.8	401,005	262,158	53.0
Minority Interest	(304,504)	(20,913)	1356.1	-	-	-
Profit after Minority Interest	825,764	438,896	88.1	401,005	262,158	53.0

1(a) (ii) The net profit attributable to the shareholders includes the following charges/ (credits):

	Group			Company		
	Year ended		%	Year ended		%
	31.03.2016	31.03.2015	Increase (Decrease)	31.03.2016	31.03.2015	Increase (Decrease)
	Rs. ‘000	Rs. ‘000		Rs. ‘000	Rs. ‘000	
Foreign currency exchange adjustment loss/(gain)	133,513	14,091	n.m.	125,380	(1,531)	n.m.
Loss on disposal of plant and equipment	838	(3,806)	n.m.	(1,153)	16,499	n.m.
Research and Developments expenditure	(14,,776)	(13,342)	10.7	(13,863)	(12,530)	10.6
Sundry Balance written off	(210,652)	(7,405)	2744.7	(203,084)	479	n.m.

Note: n.m. means not meaningful.

1(b) (i) A balance sheet of the Company and Group together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<u>ASSETS</u>				
Current assets				
Cash & bank balances	132,703	178,384	96,582	112,570
Available for sale investments	-	173,412	-	0
Trade receivables	4,051,819	3,167,009	3,805,128	3,026,039
Other receivables and prepayments	974,838	1,263,451	790,987	995,016
Inventories	2,446,986	2,157,818	1,900,180	1,808,220
Income tax recoverable	422,532	358,201	210,452	174,730
Total current assets	8,028,878	7,298,275	6,803,329	6,116,575
Non – current assets				
Property, plant and equipments	8,273,598	8,042,642	4,055,267	4,034,812
Interest in subsidiaries	60,000	60,000	1,299,181	1,380,325
Available for sale investments	5,853	5,603	5,843	5,593
Total non – current assets	8,339,451	8,108,245	5,360,291	5,420,730
Total assets	16,368,329	15,406,520	12,163,620	11,537,305
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank borrowings	3,639,786	3,317,001	2,868,171	2,548,330
Trade payables	1,761,240	1,317,130	1,545,480	1,221,015
Other payables	542,052	709,736	380,138	495,168
Total current liabilities	5,943,078	5,343,867	4,793,789	4,264,513
Non – current liabilities				
Long Term Loan	2,180,764	3,129,348	1,037,500	1,335,000
Deferred tax liabilities	571,587	470,962	295,939	274,642
Total non – current liabilities	2,752,351	3,600,310	1,333,439	1,609,642
Capital & reserves				
Issued capital	254,314	254,314	254,314	254,314
Share premium	1,565,048	1,565,048	1,565,048	1,565,048
General reserve	895,558	743,058	896,718	744,218
Capital reserve	3,518	3,518	3,122	3,122
Capital redemption reserve	18,433	18,433	18,433	18,433
Dividend reserve	4,471	3,558	4,471	3,558
Currency translation reserve	74,130	74,865	-	-
Debenture redemption reserve	-	111,651	-	111,651
Hedge reserve	(2,672)	(62,468)	-	(63,150)
Accumulated profits	3,612,103	2,806,873	3,294,286	3,025,956
Minority interest	1,247,997	943,493	-	-
Total equity	7,672,900	6,462,343	6,036,392	5,663,150
Total liabilities and equity	16,368,329	15,406,520	12,163,620	11,537,305

1(b) (ii) Aggregate amount of Group and Company borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.03.2016		As at 31.03.2015	
Secured		Secured	
Group	Company	Group	Company
Rs. '000	Rs. '000	Rs. '000	Rs. '000
3,639,786	2,868,171	3,206,637	2,437,966

As at 31.03.2016		As at 31.03.2015	
Un –Secured		Un –Secured	
Group	Company	Group	Company
Rs. '000	Rs. '000	Rs. '000	Rs. '000
-	-	110,364	110,364

Amount repayable after one year

As at 31.03.2016		As at 31.03.2015	
Secured		Secured	
Group	Company	Group	Company
2,180,764	1,037,500	3,129,348	1,335,000

The details of bank borrowings from various banks and securities are shown below:

Bank borrowings from a consortium of banks (Group and Company) (SBI, HDFC and ICICI)

As at March 31, 2016, bank borrowings amounting to **Group Rs.,1,730,621,000 & Company Rs., 1,639,376,000** are secured by:

- first ranking pari passu charge in favour of a consortium of banks by way of hypothecation on the Company's trade receivables and inventories ; and
- first ranking pari passu charge in favour of a consortium of banks by way of hypothecation and/or legal mortgage over certain of Company's present and future properties, plant and equipment.

As at March 31, 2015, bank borrowings amounting to **Group Rs.1,872,966,000 & Company Rs.1,872,966,000** are secured by:

- first ranking pari passu charge in favour of a consortium of banks by way of hypothecation on the Company's trade receivables and inventories ; and
- first ranking pari passu charge in favour of a consortium of banks by way of hypothecation and/or legal mortgage over certain of Company's present and future properties, plant and equipment.

Bank A (HDFC Bank Limited)

As at March 31, 2016, bank borrowings amounting to Rs. Nil are unsecured.

As at March 31, 2015, bank borrowings amounting to Rs.110 364,000 are unsecured

Bank B (Non-Convertible Debenture)

As at March 31, 2016, NCD of Rs. Nil are secured (Repayable after one year) and Rs. Nil repayable within one year.

As at March 31, 2015, NCD of Rs. Nil are secured (Repayable after one year) and Rs. 500,000,000 repayable within one year.

Bank C (HDFC Bank Limited – Term Loan)

As at March 31, 2016, HDFC Term Loan Dahej – SEZ of Rs. 240,000,000 which is secured and repayable after one year. and Rs. 60,000,000 repayable within one year.

As at March 31, 2015, HDFC Term Loan Dahej – SEZ of Rs. 300,000,000 which is secured and repayable after one year.

Bank D (ICICI Bank Limited – Term Loan)

As at March 31, 2016, ICICI Term Loan Dahej – SEZ of Rs. Nil is secured and repayable after one year.

As at March 31, 2015, ICICI Term Loan Dahej – SEZ of Rs. 450,000,000 is secured and repayable after one year.

Bank E (Yes Bank Limited – Term Loan)

As at March 31, 2016, Yes Bank Term Loan of Rs. Nil (Repayable after one year) and Rs. Nil repayable within one year is secured.

As at March 31, 2015, Yes Bank Term Loan of Rs. 585,000,000 (Repayable after one year) and Rs. 65,000,000 repayable within one year is secured.

Bank F (SBI – Term Loan)

As at March 31, 2016, SBI Term Loan of Rs. 797,500,000 which is secured and repayable after one year. and Rs. 205,000,000 repayable within one year.

As at March 31, 2015, SBI Term Loan of Rs. Nil which is secured and repayable after one year.

Bank G (State Bank of India)

As at March 31, 2016, bank borrowings amounting to Rs. 250,000,000 are secured.

As at March 31, 2015, bank borrowings amounting to Rs.Nil are secured

Bank H (HDFC Bank Limited)

As at March 31, 2016, bank borrowings amounting to Rs. 416,108,000 are secured.

As at March 31, 2015, bank borrowings amounting to Rs.Nil are secured

Bank I (ICICI Bank Limited)

As at March 31, 2016, bank borrowings amounting to Rs. 297,687,000 are secured.

As at March 31, 2015, bank borrowings amounting to Rs.Nil are secured

Bank J (KBC Bank Limited – Meghmani Europe BVBA)

As at March 31, 2016, Bank borrowings amounting to Rs.NII are secured by the assets purchased at Europe.

As at March 31, 2015, Bank borrowings amounting to Rs.5,582,000 are secured by the assets purchased at Europe.

Bank K (ICICI Bank Limited – Meghmani Finechem Limited (MFL))

As at March 31, 2016, bank borrowings amounting to Rs.859,314,000 (repayable after one year) and Rs. 349,095,000 (repayable within one year) are secured by Mortgage/hypothecation of assets.

As at March 31, 2015, bank borrowings amounting to Rs.1,208,409,000 (repayable after one year) and Rs. 322,242,000 (repayable within one year) are secured by Mortgage/hypothecation of assets.

Bank L (International Financial Corporation (IFC) – MFL)

As at March 31, 2016, bank borrowings amounting to Rs. 283,950,000 (repayable after one year) and Rs.189,300,000 (repayable within one year) are secured by Mortgage/hypothecation of assets.

As at March 31, 2015, bank borrowings amounting to Rs. 446,428,000 (repayable after one year) and Rs.178,572,000 (repayable within one year) are secured by Mortgage/hypothecation of assets.

Bank M (ECB - Standard Chartered Bank)

As at March 31, 2016, bank borrowings amounting to Rs Nil (repayable after one year) and Rs.141,975,000 (repayable within one year) first pari passu charge on movable fixed assets of Meghmani Finechem Ltd. including moveable plant and equipment.

As at March 31, 2015, bank borrowings amounting to Rs133,929,000 (repayable after one year) and Rs.267,857,000 (repayable within one year) first pari passu charge on movable fixed assets of Meghmani Finechem Ltd. including moveable plant and equipment.

1(c) A cash flow statement of the Group and Company, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Particulars	Group		Company	
	Year ended		Year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities:				
Profit from operations	2,147,670	1,372,164	971,107	679,316
Adjustments for :				
Depreciation on property, plant and equipment	767,600	747,363	361,867	350,291
Unrealised foreign exchange gain (loss)	(63,518)	(185,238)	(60,487)	(168,833)
Interest received	(29,710)	(37,655)	(26,702)	(23,375)
Interest on income tax	-	2,080	-	2,080
Diminution in Investment	-	-	81,144	
Loss on disposal of property, plant and equipment	(838)	(18,281)	1,153	(16,499)
Operating cash flows before movement in working capital	2,821,204	1,880,433	1,328,082	822,980
Trade receivables	(884,810)	356,187	(779,089)	285,664
Other receivables and prepayments	352,131	659,738	264,517	555,161
Inventories	(289,169)	337,967	(91,960)	277,827
Trade payables	556,250	(214,998)	324,465	(316,564)
Bills payables	(167,277)	329,346	(167,277)	329,346
Other payables	(167,682)	(298,588)	(115,031)	(295,300)
Cash generated from operations	2,220,647	3,050,085	763,707	1,659,114
Income taxes paid	(336,689)	(162,650)	(168,261)	(59,841)
Interest and finance charges paid	(644,070)	(77,739)	(415,917)	(502,073)
Net cash from operating activities	1,239,888	2,115,696	179,529	1,097,200
Cash flows from investing activities:				
Purchase of property, plant & equipments	(1,000,054)	(684,613)	(385,430)	(485,850)
Proceeds on disposal of property, plant & equipments	2,335	60,947	1,955	38,797
Effect of Transitional Provision as per Schedule II of the Companies Act 2013	-	(34,533)	-	(31,429)
Interest received	29,361	37,655	26,353	23,375
Investments	(250)	43,723	(250)	54,923
Investment income received	-	25	-	145,633
Net cash used in investing activities	(968,608)	(576,796)	(357,372)	(254,551)
Cash flows from financing activities:				
Dividend paid	(75,381)	(234,675)	(75,381)	(125,548)
Tax on dividend paid	(15,532)	(47,614)	(15,532)	(4,322)
Decrease in Hedge Reserve	59,795	98,750	63,150	124,047
Proceeds from bank borrowings, net of repayments	(761,953)	(1,437,148)	(113,814)	(807,911)
Proceeds from other borrowings, net of repayments	303,432	6,576	303,432	6,576
Other Borrowings	-	-	-	-
Net cash from financing activities	(489,639)	(1,614,111)	161,855	(807,158)
Net effect of exchange rate change in consolidation	(734)	32,271	-	-
Net (decrease) increase in cash and cash equivalents	(219,093)	(42,940)	(15,988)	35,491
Cash and cash equivalents at the beginning of the year	351,796	394,736	112,570	77,079
Cash and cash equivalents at the end of the year	132,703	351,796	96,582	112,570

1 (d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

Rs. '000

	Issued capital	Share premium	General reserve	Capital Reserve	Capital redemption reserve	Hedge Reserve	Debenture Redemption reserve	Dividend reserve	Currency translation reserve	Accumulated Profits	Minority Interest	Total
Balance as at March 31,2014	254,314	1,565,048	612,270	19,871	18,433	(161,218)	194,981	31,702	42,595	2,634,896	923,634	6,136,526
Net profit for the year	-	-	-	-	-	-	-	-	-	438,896	-	438,896
Transfer to (from) reserve	-	-	27,500	-	-	-	-	-	-	(27,500)	-	-
Proposed / Interim dividend	-	-	-	-	-	-	-	254,146	-	(254,146)	-	-
Interim / Final dividend paid	-	-	-	-	-	-	-	(282,290)	-	-	-	(282,290)
Debenture Redemption Reserve	-	-	125,000	-	-	-	(125,000)	-	-	-	-	-
Effect of Transitional Provision as per Schedule II of the Companies Act 2013 (net of deferred tax)	-	-	(21,712)	-	-	-	-	-	-	-	-	(21,712)
Disposal of Subsidiary	-	-	-	(16,353)	-	-	-	-	-	56,397	-	40,044
Addition during year	-	-	-	-	-	98,750	41,670	-	-	(41,670)	19,859	118,609
Currency Translation Reserve	-	-	-	-	-	-	-	-	32,270	-	-	32,270
Balance as at March 31,2015	254,314	1,565,048	743,058	3,518	18,433	(62,468)	111,651	3,558	74,865	2,806,873	943,493	6,462,343
Net profit for the year	-	-	-	-	-	-	-	-	-	825,764	-	825,764
Transfer to (from) reserve	-	-	27,500	-	-	-	-	-	-	(27,500)	-	-
Proposed / Interim dividend	-	-	-	-	-	-	-	91,826	-	(91,826)	-	-
Interim / Final dividend paid	-	-	-	-	-	-	-	(90,913)	-	-	-	(90,913)
Debenture Redemption Reserve	-	-	125,000	-	-	-	(125,000)	-	-	-	-	-
Receivable written off in standalone and now accounted for Consolidation	-	-	-	-	-	-	-	-	-	112,141	-	112,141
Addition during year	-	-	-	-	-	59,796	13,349	-	(735)	(13,349)	304,504	363,565
Balance as at March 31,2016	254,314	1,565,048	895,558	3,518	18,433	(2,672)	-	4,471	74,130	3,612,103	1,247,997	7,672,900

Company

	Rs. '000									
	Issued capital	Share premium	General reserve	Capital Reserve	Capital redemption reserve	Debenture Redemption reserve	Dividend reserve	Hedge Reserve	Accumulated Profits	Total
Balance as at March 31,2014	254,314	1,565,048	612,270	3,122	18,433	194,981	31,702	(187,198)	2,934,694	5,427,366
Net profit for the year	-	-	-	-	-	-	-	-	262,158	262,158
Transfer to (from) reserve	-	-	27,500	-	-	-	-	-	(27,500)	-
Proposed / Interim dividend	-	-	-	-	-	-	101,726	-	(101,726)	-
Final dividend paid	-	-	-	-	-	-	(129,870)	-	-	(129,870)
Debenture Redemption Reserve	-	-	125,000	-	-	(125,000)	-	-	-	-
Effect of Transitional Provision as per schedule II of the Companies Act 2013 (net of deferred tax)	-	-	(20,552)	-	-	-	-	-	-	(20,552)
Addition during the year	-	-	-	-	-	41,670	-	124,048	(41,670)	124,048
Balance as at March 31,2015	254,314	1,565,048	744,218	3,122	18,433	111,651	3,558	(63,150)	3,025,956	5,663,150
Net profit for the year	-	-	-	-	-	-	-	-	401,005	401,005
Transfer to (from) reserve	-	-	27,500	-	-	-	-	-	(27,500)	-
Proposed / Interim dividend	-	-	-	-	-	-	91,826	-	(91,826)	-
Interim / Final dividend paid	-	-	-	-	-	-	(90,913)	-	-	(90,913)
Debenture Redemption Reserve	-	-	125,000	-	-	(125,000)	-	-	-	-
Addition during the year	-	-	-	-	-	13,349	-	63,150	(13,349)	63,150
Balance as at March 31,2016	254,314	1,565,048	896,718	3,122	18,433	-	4,471	-	3,294,286	6,036,392

1(d)(ii) Details of any changes in the Company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities , issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company’s share capital.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	31 March 2016	31 March 2015
Total number of issued ordinary shares Excluding treasury shares	37,433,450	40,248,150

During the year the Company has issued 2, 814,700 Equity Shares on conversion of SDS.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have been audited in accordance with the provisions of Generally Acceptable Accounting Practices in India.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

There is no qualification or adverse remarks by Auditors. The Auditors’ Report will be circulated along with Annual Report.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual Financial Statements have been applied?

The Group’s financial statements have been prepared from those accounting records maintained under Generally Accepted Accounting Practices in India (“Indian GAAP”)

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31 March 2016 under Indian GAAP.

5. **If there are any changes in the accounting policies and methods of computation , including any required by an accounting standard , what has changed , as well as the reasons for and the effect of , the change.**

Not Applicable

- 6 **Earnings per ordinary share of the company for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting and provision for preference dividends.**

Earnings per Ordinary shares	Group		Company	
	Year ended		Year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
(a) Based on weighted average number of ordinary shares in issue (Rs)	3.25	1.73	1.58	1.03
Earnings per SDS (Rs)	1.63	0.87	0.79	0.52
(b) On a fully diluted basis (detailing any adjustments made to the earnings) (Rs)	3.25	1.73	1.58	1.03
Earnings per SDS (Rs.)	1.63	0.87	0.79	0.52

7. **Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the :-**

- (a) **current financial period reported on; and**
(b) **Immediately preceding financial year.**

Net assets value per ordinary share based on issued share capital at the end of the year reported in Rs.	Group		Company	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	30.17	25.41	23.74	22.27

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-**

- (a) **any significant factors that affected the turnover , costs , and earnings of the group for the current financial period reported on , including (where applicable) seasonal or cyclical factors ; and**
- (b) **any material factors that affected the cash flow , working capital , assets or liabilities of the group during the current financial period reported on.**

The principal activities of the Group are (i) manufacturing of Pigments, Agrochemicals, Basic Chemicals (Caustic Chlorine) (ii) trading of Pigments and its intermediates (iii) trading of Agrochemicals, Technical, Intermediates products and Small Packing.

Review of results for the year ended on 31 March, 2016

Revenue -Group

Group revenue for FY 2016 increased by 5.5 % from Rs. 12678.28 million in FY 2015 to Rs. 13370.17 million in FY 2016.

Breakdown of Revenue by Product

(Rs. in Millions)

Products	FY 2016	FY 2015	Increase/ (Decrease)	%
Pigment	4108.94	3656.80	452.14	12.4
Agrochemical	4476.55	4354.19	122.36	2.8
Caustic Chlorine	3671.67	3307.94	363.73	11.0
Trading / Subsidiary	1113.01	1359.35	-246.34	-18.1
Total	13370.17	12678.28	691.89	5.5

Breakdown of Exports Sales by Product

(Rs. in Millions)

Export Sales	FY 2016	FY 2015	Increase/ (Decrease)	%
Pigment	2958.52	2897.75	60.77	2.1
Agrochemical	3080.82	3070.44	10.38	0.3
Caustic Chlorine	98.29	26.73	71.56	267.7
Trading / Subsidiary	1100.98	1291.13	-190.15	-14.7
Total	7238.61	7286.05	-47.44	-0.7

Breakdown of Domestic Sales by Product

(Rs. In Millions)

Domestic Sales	FY 2016	FY 2015	Increase/ (Decrease)	%
Pigment	1150.42	759.05	391.37	51.6
Agrochemical	1395.73	1283.75	111.98	8.7
Caustic Chlorine	3573.38	3281.21	292.17	8.9
Trading	12.03	68.22	-56.19	-82.4
Total	6131.56	5392.23	739.33	13.7

Reasons for Increase / (Decrease) in Sales

- 1) Export sales of Pigment Division increased marginally by 2.1%
- 2) Export sales of Agrochemical Division increased marginally by 0.3%
- 3) Domestic sales of Pigment Division increased by 51.6% because of higher quantity sales of CPC Blue & Beta Blue.
- 4) Domestic sales of Agrochemical Division increased by 8.7 % due to increase in sale quantity of 2, 4D and Cypermethric Acid Chloride (CMAC).

- 5) Domestic sales of Caustic Chlorine Division increased by 8.9 % due to increase in production capacity resulting in higher sales quantity and ECU during the year.

Revenue - Company

Company revenue for FY 2016 increased by Rs. 400.30 million i.e.by 4.3% from Rs. 9218.79 million in FY 2015 to Rs. 9619.09 million in FY 2016.

BREAKDOWN OF REVENUE BY PRODUCT

(Rs. in Millions)

Products	FY 2016	FY 2015	Increase/ (Decrease)	%
Pigment	4666.65	4244.27	422.38	10.0
Agrochemical	4476.55	4379.72	96.83	2.2
Trading / Subsidiary	475.89	594.80	-118.91	-20.0
Total	9619.09	9218.79	400.30	4.3

Breakdown of Exports Sales by Product

(Rs. in Millions)

Export Sales	FY 2016	FY 2015	Increase/ (Decrease)	%
Pigment	3516.23	3485.22	31.01	0.9
Agrochemical	3080.82	3095.97	-15.15	-0.5
Trading	463.86	526.58	-62.72	-11.9
Total	7060.91	7107.77	-46.86	-0.7

Breakdown of Domestic Sales by Product

(Rs. in Millions)

Domestic Sales	FY 2016	FY 2015	Increase/ (Decrease)	%
Pigment	1150.42	759.05	391.37	51.6
Agrochemical	1395.73	1283.75	111.98	8.7
Trading	12.03	68.22	-56.19	-82.4
Total	2558.18	2111.02	447.16	21.2

Reasons for Increase / (Decrease) in Sales

- 1) Export sales of Pigment Division increased marginally by 0.09%.
- 2) Export sales of Agrochemical Division decreased marginally by 0.5%..
- 3) Export sales of Trading Division decreased by 11.9%. due to less export orders.
- 4) Domestic Sales of Pigment Division increased by 51.6% mainly due to higher quantity sales of CPC Blue & Beta Blue.

- 5) Domestic Sales of Agrochemical Division increased by 8.7 % due to increase in sale quantity of 2,4D and Cypermethric Acid Chloride (CMAC).
- 6) Domestic Sales of Trading Division decreased by 82.4% mainly due to less quantity sales.

Gross profit - Group

The gross profit increased by 43.1% from Rs. 2136.19 million in FY 2015 to Rs. 3057.42 million in FY 2016. The gross profit margin increased from 16.8% in FY 2015 to 22.9% in FY 2016.

Breakdown of Gross Profit by Division

Division	FY 2016	GP Margin FY 2016 (%)	FY 2015	GP Margin FY 2015 (%)	(Rs. in Millions)	
					Increase/ (Decrease)	Increase/ Decrease (%)
Pigment	887.83	21.6	542.34	14.8	345.49	63.7
Agrochemical	896.94	20.0	765.86	17.6	131.08	17.1
Caustic Chlorine	1238.68	33.7	798.96	24.2	439.72	55.0
Trading/Subsidiary	33.97	3.1	29.03	2.1	4.94	17.0
Total	3057.42	22.9	2136.19	16.8	921.23	43.1

REASONS FOR INCREASE / (DECREASE) IN GP MARGIN

GP of Pigment

The gross profit of Pigment Division increased by 63.7% due to higher quantity sales of Alpha Blue Beta Blue & CPC Blue. While GP margin increased from 14.8% in FY 2015 to 21.6% in FY 2016 due to decrease in Raw Material Consumption.

GP of Agrochemical

The gross profit of Agrochemical Division increased by 17.1% . because of increase in quantity sales of Intermediates viz Cypermethric Acid Chloride (CMAC), and Technical products viz. Permethrin, Profenophos and 2, 4D. The GP margin increased from 17.6% in FY 2015 to 20.0% in FY 2016 due to decrease in Raw Material Consumption.

GP of Caustic Chlorine

The gross profit of Caustic Chlorine Division increased by 55.0% . This is due to increase in Production capacity. The GP margin increased from 24.2% in FY 2015 to 33.7% in FY 2016 due to increase in ECU.

Gross profit – Company

The gross profit at Company level increased by 36.3% from Rs. 1334.25 million in FY 2015 to Rs. 1818.39 million in FY 2016. The gross profit margin increased from 14.5% in FY 2015 to 18.9% in FY 2016. The main contributories are pigment and agrochemical.

BREAKDOWN OF GROSS PROFIT BY DIVISION

(Rs. in Millions)

Division	FY 2016	GP Margin FY 2016 (%)	FY 2015	GP Margin FY 2015 (%)	Increase/ (Decrease)	%
Pigment	887.82	19.0	542.34	12.8	345.48	63.7
Agrochemical	896.94	20.0	765.86	17.5	131.08	17.1
Trading / Subsidiary	33.63	7.1	26.05	4.4	7.58	29.1
Total	1818.39	18.9	1334.25	14.5	484.14	36.3

Reasons for increase / (decrease) in GP margin

GP margin of Pigment

The amount of gross profit of Pigment Division increased by 63.7% due to higher quantity sales of CPC Blue and Beta Blue. The GP margin increased from 12.8 % in FY 2015 to 19.0% in FY 2016 due to decrease in Raw Material Consumption.

GP of Agrochemical

The amount of gross profit of Agrochemical Division increased by 17.1%. due to increase in sale quantity of Cypermethric Acid Chloride (CMAC) and Technical products viz. Permethrin, Profenophos and 2, 4D. The GP margin increased from 17.5% in FY 2015 to 20.0 % in FY 2016 due to decrease in Raw Material Consumption.

OTHER OPERATING INCOME – GROUP & COMPANY

Other operating income of the Group and the Company which consists mainly of export benefits such as Focus Product Market Incentive Scheme, duty drawback, etc. has decreased by Rs. 95.26 million and Rs. 84.21 million in FY 2016 respectively mainly due to decrease in export incentive rate and introduction of new scheme MEIS and Duty Drawback Benefit.

DISTRIBUTION, ADMINISTRATIVE AND OTHER OPERATING EXPENSES – GROUP & COMPANY

Distribution expenses

Distribution expenses of Group decreased by Rs. 28.94 million, i.e. by 3.5% and the Company decreased by Rs. 19.90 million i.e. by 2.8%. This is due to decrease in Export Clearing & Forwarding and Transportation Expenses.

Administrative expenses – Group & Company

Administrative expenses of Group increased by Rs. 0.22 million i.e. by 0.1% and of Company increased by Rs. 33.73 million i.e. by 13.4%. This is on account of Diminution in value of investment of wholly owned subsidiary.

Other Operating Expenses

Other operating expenses decreased mainly on account of favourable in foreign currency exchange adjustment. The fluctuations in the exchange rate of the Indian Rupee against the US dollar and mark to market on derivatives are main contributory. Other operating expenses reflect income in current and previous financial year.

Finance costs

Finance costs of the Group during FY 2016 decreased by Rs. 127.67 million, i.e. by 16.5% at Company level decreased by Rs. 86.16 million i.e. by 17.2% the reason being capitalization of interest, reduction in rate of interest and repayment of Non Convertible Debenture & Term Loan.

Income from investments

During the year the group and company level income from investment is Nil

Taxation

Income tax of the Group increased by Rs. 232.69 million in FY 2016 Due to increase in profit of Meghmani Finechem Limited (MFL – Subsidiary) and at the Company level increased by Rs. 93.47 million in FY 2016 due to increase in profit.

Interest in Subsidiaries

1. Meghmani Organics USA Inc., is a 100% wholly owned subsidiary of the Company. The Company is in the trading business.
2. Meghmani Europe BVBA is a 100% wholly owned subsidiary of the Company. The Company is in the trading business.
3. Meghmani Finechem Limited (MFL) is a company formed to set up Rs. 555 Crore Caustic Chlorine project. Meghmani Organics Limited holds 57% of the Equity.
4. P T Meghmani Indonesia is a 100% wholly owned subsidiary of the Company set up for the trading purpose.
5. Meghmani Overseas FZE, Sharjah is a 100% wholly owned subsidiary of the Company. The Company is in the trading business.

SGX Rule 716

As per Rule 716, we declare that no one of the above Subsidiaries or Associates are listed on any of the Stock Exchanges.

BALANCE SHEET

Trade receivables

The balance of Group trade receivables increased by Rs. 884.81 million, i.e. by 27.9% and at the Company level by Rs. 779.09 million i.e. by 25.7%. The receivables turnover ratio increased from 91 days as at 31 March 2015 to 111 days as at 31 March 2016. Increase in receivable turnover ratio is on higher side due to higher sales in Q4 FY 16.

Inventories

The Group Inventories for FY 2016 increased by Rs. 289.17 million and at the Company level by Rs. 91.96 million. This is due to increase in finished goods and raw material inventories.

Property, plant and equipments

Property, plant and equipment at Group level increased by Rs. 230.96 million and at Company level increased by Rs. 20.46 million in FY 2016 respectively due to addition of Fixed assets of KOH Project in Meghmani Finechem Limited.

Bank Borrowings and Long Term Loan

Bank borrowings (current and non current liabilities) in FY 2016 at Group level decreased by Rs 625.80 This is mainly due to repayment of term loan and redemption of Non-Convertible Debentures while at the Company level it increased by Rs. 22.34 million.

Trade payables

The balance of trade payables of Group increased by Rs. 444.11 million in FY 2016 while that of Company level by Rs. 324.47 million due to increase in payable for material and services.

Other payables

The balance of Other Payables of Group decreased by Rs 167.68 million in FY 2016 while that of Company decreased by Rs. 115.03 million due to Derivative Liabilities.

FINANCIAL ANALYSIS – GROUP LEVEL

(Rs. in millions)

Group Key financial highlights	As at 31.03.2016	As at 31.03.2015	Variance	Variance (%)
<u>Profitability</u>				
Sales	13370	12,678	692	5.5
Gross Profit	3057	2,136	921	43.1
Gross Profit Margin (%)	22.9	16.8	6.1	36.3
Profit before tax	1504	600	904	150.7
Profit before tax Margin (%)	11.2	4.7	6.5	138.3
Net profit	826	439	387	88.2
Earning per Share (EPS in Rs.)	3.25	1.73	1.52	87.9
Annualised return on equity (ROE)	10.76	6.79	3.97	58.5
<u>Financial position</u>				
Net tangible assets	7,673	6,462	1,211	18.7
Debt (short term + long term)	5,821	6,446	-625	-9.7
Capital Gearing ratio	0.76	1.00	-0.24	-24.0
Net tangible assets per share	25.26	21.70	3.56	16.4
Stock turnover (days)	87	75	12	16.0
Trade debts turnover (days)	111	91	20	22.0

Cash flow statement

During the year, the Group generated positive cash flows of **Rs. 1239.89 million** while Company generated **Rs. 179.53 million** from operating activities.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months.**

1) **INDUSTRY STRUCTURE: -**

Pigments are organic or inorganic compounds, which can impart a wide range of colors to various substrates. Pigments can offer versatile range of colors in paints and coatings, plastics, inks, etc., while improving aesthetic properties. These help to enhance various properties such as opacity, hiding power, light and weather fastness, heat stability, and tinting strength. Pigments are mostly insoluble in common solvents and remain physically and chemically unaffected after application on different substrates. These absorb light of selective wavelengths to produce vibrant colors via reflection or transmission

Paints & coatings was the largest end-user segment of the pigments market in 2015. Rapid urbanization and economic progress in developing countries have propelled the construction industry in the recent past. On the other hand, the automotive industry has witnessed promising trends in emerging economies in the past few years. Consequently, growth in the decorative and architectural paints and coatings industries has fueled demand for pigments in the past couple of years. Plastics end-user segment of the pigments is estimated to grow at a significant rate in the next few years owing to increased consumption in various applications such as packaging, health care, building & construction, and automotive. Consequently, steady growth in the plastics industry is likely to propel demand for pigments in the next couple of years.

Specialty pigments is anticipated to exhibit the fastest growth rate during the forecast period owing to rising demand for high performance pigments with excellent aesthetic features in various end-user industries.

The global pigments market has witnessed impressive growth in the past few years. Rise in population coupled with increase in per capita income has boosted the consumption of paints and coatings in the building and construction, automotive, and consumer goods industries in the past few years. This, in turn, generated considerable demand for pigments in paints & coatings, enabling it to be the largest end-user segment in 2015. Furthermore, the per capita consumption of paints and coatings is expected to rise significantly in developed and developing economies in the next few years.

Therefore, paints & coatings is projected to be the fastest growing segment of the pigments market during the forecast period. Moreover, rise in global plastics production is estimated to spur demand for pigments in the next couple of years. Emerging use of nanoparticles is anticipated create lucrative opportunities in the global pigments market during the forecast period.

Global - Pigment Markets:-

Transparency Market Research has published a new report titled, "Pigments (Inorganic, Organic, and Specialty Pigments) Market - Global Industry Analysis, Size, Share, Growth, Trends and Forecast 2015 - 2023." According to the report, the global pigments market was valued at US\$ 22.86 bn in 2014 and is anticipated to reach US \$31.98 bn by 2023, expanding at a CAGR of 3.8% between 2015 and 2023.

Global - High performance & Speciality Pigment Markets:-

A new report from [Smithers Rapra](#), Shropshire, UK, examines the future of high-performance and specialty pigments. Smithers Rapra forecasts an annual growth rate of 2.7% over the next five years to reach \$5 billion, by 2019

Global -Organics Pigment Markets:-

Organic Pigment business (coloured) is estimated to be close US \$ 6 billion market, of which Phthlocyanine, Azo and High Performance Pigment are main areas. In case of Phthlocyanine pigments, market size is in the range of 20% i.e. about US \$ 1 to 1.25 billion in size. In its latest study, Ceresana forecasts global revenues generated with pigments to increase to US\$34.2 billion in 2020.

Global - Speciality Pigment Markets

Specialty pigments are expected to be the most promising product segment, and are estimated to grow at a CAGR of 4.7% from 2013 to 2018. Under growing regulatory pressure, specialty and organic pigments are being increasingly investigated for substitution potential over their inorganic counterparts. . (Source: - Transparency Market Research)

Paints & Coatings Industry market share

The paints & coatings industry continues to take away major share of the global pigments market, accounting for 38.5% of the overall end user market. This is mainly due to growth in this industry along with the preference of consumers towards unique optical effect colors in certain segments such as automobiles. The global paints and coatings end use market is projected to grow at a CAGR of 5.1% during the forecast period.

Paints and varnishes account for the most important sales market for pigments worldwide. More than 43 percent of global demand originates in this segment. "Processing plastics accounts for 27 percent of total demand for pigments. This segment will develop at the second-highest growth rate in the future," explained Oliver Kutsch, CEO of Ceresana. Only the printing inks segment will grow at higher rates, thanks to an increase in demand for printed packaging.

2) ASIA PACIFIC REGION TO REMAIN FASTEST GROWING

Asia-Pacific region, organic pigment demand is expected to reach 316.2 thousand MT by 2018, at a high CAGR of 6.6% from 2013 to 2018. The Asia Pacific pigments market revenue is expected to reach market size of over USD 6.4 billion by 2018

The relocation of the pigments market towards emerging economies such as Asia Pacific, particularly India and China has been a major trend observed in the industry. Since the past few decades, production of these pigments has rapidly increased in India and China with the latter becoming the largest manufacturer of organic color pigments, particularly for commodity pigments. However, the production scenario in emerging regions and economies such as United States, Europe and Japan is expected to be on a downward trend due to certain factors such as globalization of the market as well as reduction in profit margins resulting in plant restructurings and shutdowns. Moreover, as more finished pigments are being imported from China, market trends such as imports of unfinished pigments to Japan, Europe and North America for finishing is expected to fall down over the next few years.

In terms of volume, Asia Pacific dominated the global pigments market in 2014. The pigments market in Asia Pacific is anticipated to exhibit the fastest growth rate during the forecast period. Increasing population and rising per capita income in developing countries in Asia Pacific have generated significant demand for paints and coatings in the building & construction and automotive industries. On the other hand, Asia Pacific is expected to be the major producer of plastics during the forecast period.

This, in turn, is projected to generate significant demand for pigments in the paints & coatings and plastics industries in Asia Pacific. Europe accounted for the second-largest share of the global pigments market in 2015. Middle East & Africa and Latin America are estimated to be the emerging market for pigments, exhibiting promising growth rate during the forecast period.

3) AGROCHEMICALS - INDUSTRY STRUCTURE:-

The Indian crop protection industry is dominated by generic products with more than 80% of molecules being non-patented. This results in very low entry barriers for the industry. Hence, strong distribution network, appropriate pricing, brand recall and dealer margins are some of the critical factors for companies to succeed. Crop protection chemicals are manufactured as technical grades and converted into formulations for agricultural use.

The Indian Agrochemical value chain comprises of technical grade manufacturers, formulators producing the end products, distributors and end use customers. According to the Pesticide Monitoring Unit, GOI, there are about 125 technical grade manufacturers, including about 10 multinationals, more than 800 formulators and over 145,000 distributors in India. More than 60 technical grade pesticides are being manufactured indigenously.

Erstwhile Andhra Pradesh (Seemandhra and Telangana), Maharashtra and Punjab are top three states contributing to 45% of pesticide consumption in India. Erstwhile Andhra Pradesh is the leading consumer with 21% share. The top seven states together account for more than 70% of crop protection chemicals usage in India

There are broadly 5 categories of crop protection products:

1. Insecticides: Manage the pest population below the economic threshold level
2. Fungicides: Prevent the economic damage due to fungal attack on crops
3. Herbicides: Prevent/ inhibit/ destroy the growth of unwanted plants in a crop field
4. Bio pesticides: These are derived from natural substances like plants, animals, bacteria & certain minerals. These are non-toxic & environmental friendly
5. Plant growth regulators India's agrochemical industry can be divided into producers of technical agrochemicals - the bulk actives - and formulators who compound actives in forms that enable use.

4) GLOBAL AGROCHEMICALS MARKET:-

The world's population currently stands at 7 billion and is estimated to rise to 9.3 billion by 2050. This will require global food production to increase by 70% over the same time period in order to meet the increased demand. To add to the problem, 25% to 40% of world crop output is lost due to the attack of pests, weeds and diseases. To minimize these losses, and to enhance yield, it is essential to use crop protection chemicals responsibly.

The adoption of new technologies that increases crop production through the optimal use of scarce resources such as land, water, and fertilizers is gaining attention in the field of agriculture. The high growth potential in emerging markets and untapped regions, provides new growth opportunities for the market players. The growth of this market is driven by growing farmer's attention towards superior quality agrochemicals, which should be balanced and nutritive.

Growing population and declining arable land to feed the resultant population are driving the overall agrochemicals market. Increasing pest concerns and emergence of a variety of agrochemicals are expected to drive the demand for agrochemicals in the near future. The agrochemicals market is also driven by factors such as rigorous research & sharing of intellectual property rights and shifting R&D investments.

Expansion in crops such as oilseeds and sugarcane is mainly expected due to the widening applications such as food, feed, fuel, and other industrial uses, which in turn drive the agrochemicals market. Development of safe alternatives such as bio-farming and organic pesticides is restraining the growth of the agrochemicals market.

The global market for agrochemicals was valued at USD 207.5 billion in 2014. It is projected to reach USD 250.5 billion by 2020, at a CAGR of 3.2% from 2015 to 2020. Asia-Pacific dominated the global market with a share of around 36.7%. The European region is expected to be the fastest-growing market in the near future, for the growing concentration of farmers towards technology driven agriculture practices.

Market for agrochemicals is being driven by increasing awareness among the farmers across developing nations with the technology driven farm practices. The regional government supports to increase the agricultural crop output with minimized use of agrochemicals.

5) **INDIAN MARKET:-**

The Indian crop protection industry is estimated to be USD 4.25 billion in FY14 and is expected to grow at a CAGR of 12% to reach USD 7.5 billion by FY19. Exports currently constitute almost 50% of Indian crop protection industry and are expected to grow at a CAGR of 16% to reach USD 4.2 billion by FY19, resulting in 60% share in Indian crop protection industry.

Domestic market on the other hand would grow at 8% CAGR, as it is predominantly monsoon dependent, to reach USD 3.3 billion by FY19. Globally, India is fourth largest producer of crop protection chemicals, after United States, Japan and China. The crop protection companies in India can be categorized into three types –Multi-National, Indian including public sector companies and small sector units

Per hectare yield in India is amongst the lowest in the world. Yields in India stand at 3 tons/ha compared to the global average of 4 tons/ha. Developed countries like USA, UK, France and Germany are able to achieve higher per hectare yields than India due to better farming practices.

The demand is also seasonal. India due to its inherent strength of low cost manufacturing and qualified low cost manpower is a net exporter of pesticides to countries such as USA and some European and African Countries.

However, the consumption of agrochemicals in India is surprisingly low (0.58 kg/hectare) as compared to USA where the consumption of agrochemicals is as high as 4.5 kg/hectare and Japan with an even higher consumption of 11 kg/hectare. Paddy (one of the chief crops of India) has the maximum pesticide consumption of 28% followed by cotton (20%) of the total agrochemicals consumption. (Source 3rd National Agrochemicals conclave 2013)

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.

Outlook for FY 2016

Raw Material Price

The volatility in foreign exchange market, increase in crude oil prices and raw material prices may impact on finished goods prices, as a result, our profitability is likely to be affected in 1Q FY 2017.

Market Price

The global markets for Pigment and Agrochemical products are under pressure, while Caustic Chlorine ECU have shown sign of improvement

Profitability

The Group and Company revenue for FY 2016 has increased due to higher production. We expect to see the improvements in revenue from our Agro – III Plant and Dahej SEZ Pigment Plant.

The Market Dynamics are changing rapidly. While Net Profit after tax at Group and Company level has increased in FY 2016. The Group Profitability may be affected due to unpredictable market trends, rupee/dollar exchange rate and crude oil prices Fluctuation in ECU prices of Caustic Chlorine.

The erratic monsoon season and el-nino effect might have impact on the sales and profitability of Agrochemicals in 1Q FY 2017

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the financial period reported on? Yes

An interim dividend has been declared on 11 March 2016 and paid out on 28 March 2016.

Name of the dividend:	- Interim
Dividend Type	- Cash
Dividend amount per share (IN INR)	- Rs. 0.30 per share
Par value of shares	- Rs.1/- per ordinary share
Tax Rate	- Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of the dividend:	- Interim
Dividend Type	- Cash

Dividend amount per share (IN INR)	- Rs. 0.40 per share
Par value of shares	- Rs.1/- per ordinary share
Tax Rate	- Not applicable

(c) **Date payable:** Not applicable.

(d) **Books closure date:** Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. The aggregate value of IPTs as per Rule 920(1)(a)(ii) if a general mandate from shareholders for IPTs had been obtained. If no IPT mandate has been obtained, a statement to that effect. In this regard, please make the requisite disclosure to comply with the requirements of Appendix 7.2(13) of the Listing Manual.

Particulars of interested person transactions for the year ended 31 March, 2016 are as under:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 (equivalent to approximately Rs 4,738,000) and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) (excluding transactions less than S\$100,000 (equivalent to approximately Rs 4,738,000))	
	Amount in Rs.	Amount in S\$,000	Amount in Rs.	Amount in S\$,000
Purchases				
Meghmani Pigments ⁽¹⁾	102,909,633	2,172	-	-
Meghmani Finechem Limited ⁽²⁾	381,435,238	8,051	-	-
Vidhi Global Chemicals Ltd. ⁽³⁾	306,024,739	6,459	-	-
Matangi Industries ⁽⁶⁾	7,140,426	151	-	-
Meghmani LLP	34,125,211	720		
Meghmani Overseas FZE	21,793,600	460		
Sales			-	-
Ashish Chemicals (EOU) ⁽⁴⁾	24,085,772	508	-	-
Meghmani Dyes and Intermediate Ltd	11,407,888	241	-	-
Vidhi Global Chemicals Ltd. ⁽³⁾	307,976,761	6,500	-	-
Meghmani Industries Limited ⁽⁸⁾	9,729,965	205	-	-
Meghmani Chemicals Limited	4,980,612	105		
Meghmani Organics USA INC.	562,794,747	11,879		

Note – Rs. 47.3783 = S\$1 (Average Rate of Financial Year 2015-2016)

- (1) Meghmani Pigments is a partnership firm owned by Mr Jayanti Patel (Executive Chairman) and Mr Ashish Soparkar (Managing Director) and their immediate family.
- (2) 17.87% of Meghmani Finechem Limited is held directly by the Mr Jayanti Patel (Executive Chairman, Mr Ashish Soparkar (Managing Director), Mr Natwarlal Patel (Managing Director), Mr Ramesh Patel (Executive Director) and Mr Anand Patel (Executive Director) and their family.
- (3) Vidhi Global Chemicals Ltd. is a limited company with 62.5% owned by the immediate family of Mr Ramesh Patel (Executive Director), Mr Ashish Soparkar (Managing Director), Mr Natwarlal Patel (Managing Director) and Mr Ramesh Patel (Executive Director).
- (4) Ashish Chemicals (EOU) is a partnership firm owned by Mr Jayanti Patel (Executive Chairman) and Mr Ashish Soparkar (Managing Director).
- (5) Meghmani LLP is a partnership firm owned by Mr Jayanti Patel (Executive Chairman) and Mr Ashish Soparkar (Managing Director) and their immediate family.
- (6) Matangi Industries is a partnership firm owned jointly by the immediate family of Mr Ramesh Patel (Executive Director), Mr Ashish Soparkar (Managing Director), Mr Natwarlal Patel (Managing Director) and Mr Ramesh Patel (Executive Director) and by Mr. Ruchit Jani.
- (7) Meghmani Overseas FZE and Meghmani Oranics Inc. USA and P T Meghmani Indonesia are wholly owned subsidiary of the Company.
- (8) 48% of Equity Shares of Meghmani Industries Limited are held directly by Mr Natwarlal Patel (Managing Director), and Mr Ramesh Patel (Executive Director).

The above interested person transactions conducted fall within the related party transactions shareholders' mandate obtained for a period of three year at the Annual General Meeting held on 28 July 2014.

14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the SGX-ST.

On behalf of the Board of Directors of the Company, I the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the Fourth Quarter ended **31 March, 2016** to be false or misleading.

15. Undertaking from Directors and officers of the Company under the amended Singapore Listing Rule 720(1).

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

...Contd.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1,Q2,Q3 or Half Year Results)

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements , with comparative information for the immediately preceding year .

Segment Results – Group

a) Analysis by business segment - Financial year ended March 31, 2016

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others*</u>	<u>Eliminations</u>	<u>Total</u>
Revenue:						
External Sales	4,108,938	4,476,545	3,671,676	1,113,009	-	13,370,168
Sales to Subsidiaries	557,713	0	315,073	25,478	(898,264)	-
Total Revenue	4,666,651	4,476,545	3,986,749	1,138,487	(898,264)	13,370,168
Results						
Segment results	555,880	421,144	1,090,687	(12,753)	92,712	2,147,670
Unallocated Expenses						-
Profit from Operations						2,147,670
Finance Costs						(644,070)
Income from Investments						-
Profit before Tax						1,503,600
Income Tax						(373,332)
Minority Interest						(304,504)
Profit after Tax						825,764

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
Other information:						
Capital additions	207,035	155,400	593,632	22,995	0	979,062
Depreciation	(188,475)	(172,728)	(440,510)	(1,496)	35,609	(767,600)
Balance Sheet:						
Segment assets	4,800,038	5,241,978	5,573,231	603,968	(1,792,503)	14,426,712
Unallocated						1,941,617
Corporate assets						-
Total assets						16,368,329
Segment liabilities	595,097	1,109,412	2,411,791	604,269	(566,385)	4,154,184
Unallocated						2,932,158
Corporate liabilities						1,037,500
Deferred Tax Liabilities						571,587
Total liabilities						8,695,429

*Others include trading activity.

Segment Results – Group

b) Analysis by business segment - Financial year ended March 31, 2015

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others*</u>	<u>Eliminations</u>	<u>Total</u>
Revenue:						
External Sales	3,656,800	4,354,192	3,307,941	1,359,345	-	12,678,278
Sales to Subsidiaries	587,474	25,521	209,904	36,809	(859,708)	-
Total Revenue	4,244,274	4,379,713	3,517,845	1,396,154	(859,708)	12,678,278
Results						
Segment results	262,908	412,447	693,107	(87,928)	91,630	1,372,164
Unallocated Expenses						-
Profit from Operations						1,372,164
Finance Costs						(771,739)
Income from Investments						25
Profit before Tax						600,450
Income Tax						(140,641)
Minority Interest						(20,913)
Profit after Tax						438,896

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
Other information:						
Capital additions	337,022	176,451	221,540	3,807	-	738,820
Depreciation	(172,880)	(176,009)	(423,025)	(8,353)	32,903	(747,364)
Balance Sheet:						
Segment assets	4,500,949	4,689,162	5,341,862	781,026	(1,972,298)	13,340,701
Unallocated						
Corporate assets						2,065,819
Total assets						15,406,520
Segment liabilities	592,954	647,239	2,934,892	718,352	-572,113	4,321,324
Unallocated						2,816,889
Corporate liabilities						1,335,000
Deferred Tax Liabilities						470,962
Total liabilities						8,944,175

*Others includes trading activity and Power generation

c) **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 Group's sales by geographical markets:

Continent	2015	2014
	Rs'000	Rs'000
Africa	622,039	534,060
Asia	2,618,250	3,086,086
Australia	115,338	84,419
Europe	804,687	859,891
India	6,229,857	5,418,957
North America	1,962,728	1,675,237
South America	1,017,269	1,019,628
Total	13,370,168	12,678,278

17. **In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business or geographical segments.**

Please refer Point No. 8 above

18. **A breakdown of sales:**

	FY 2016	FY 2015	% Increase
	Rs.'000	Rs.'000	(Decrease)
Sales			
a) Sales reported for first Quarter	3,330,782	3,077,569	8.2
b) Sales reported for second Quarter	3,401,401	3,767,481	-9.7
c) Sales reported for third Quarter	3,074,299	2,958,105	3.9
d) Sales reported for fourth Quarter	3,563,686	2,875,123	23.9
Total Sales	13,370,168	12,678,278	5.5
Profit after tax			
a) Profit after tax reported for first Quarter	149,007	77,994	91.0
b) Profit after tax reported for second Quarter	210,863	251,007	-16.0
c) Profit after tax reported for third Quarter	230,502	-45,576	-605.8
d) Profit after tax reported for fourth Quarter	235,392	155,471	51.4
Total Profit after tax	825,764	438,896	88.1

19. **A breakdown of the total annual dividend (in dollar / rupee value) for the issuer's latest full year and its previous full year:**

Total Annual Dividend (Refer to Para 11 of Appendix 7.2 for the required details)

(Rs. '000)

	FY 2016	FY 2015
Ordinary	76,294	101,726
Preference	-	-
Total		101,726

20. Disclosure of person occupying a Managerial Position :

Name	Age	Family Relationship	Current Position and duties of the year of position held	Details of changes in duty and position held
Ms. Deval Soparkar	38	Daughter of Mr. A N Soparkar - MD	Head – Corporate Communication	No
Mr. Karana Patel	34	Son of Mr. R M Patel - ED	Manager-Operation	No
Mr. Ankit Patel	30	Son of Mr. N M Patel – MD	Manager – Agro Business	No
Mr. Darshan Patel	29	Son of Mr. A I Patel – ED	Manager – Pigment	No

21. Annual General Meeting :

The Annual General Meeting of the group will be held on **26 July, 2016** at Ahmedabad, Gujarat, India

- 22.** The Company has been granted waiver by SGX ST in compliance with Rule 220 (1) of the listing manual and the Company is allowed to release its periodical finance report as well as annual report under the Indian GAAP. Provided it is accompanied by a reconciliation of statement to IFRS of the materially affected line items. The Board is of the view that the variance of the profit reported under the quarter ended **31st March 2016** is not material.

23. Reconciliation between IGAAP and IFRS

The reconciliation between IGAAP and IFRS is carried out by KPMG and has shown the decrease in Net Profit after Tax by Rs. 14.26 Million. The Company has not considered the variance in the profit reported under the quarter ended 31st March, 2016.

BY ORDER OF THE BOARD
Kamlesh Dinkerray Mehta
Company Secretary
Date: 30.05.2016