

# MEGHMANI ORGANICS LIMITED



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10/11/2014

1. The Asst. Vice President  
National Stock Exchange of India Limited  
"Exchange Plaza", Bandra-Kurla  
Complex,  
Bandra (East)  
Mumbai 400 051  
Singapore Exchange Securities Trading  
Limited  
Shenton Way,  
SGX Tower 1,  
Singapore
2. Mr. Marian Dsouza,  
Bombay Stock Exchange Limited  
Floor- 25, P J Tower,  
Dalal Street,  
Mumbai 400 001

Dear Sir/s

**Sub:- MEGHMANI FINECHEM LIMITED (MFL) SUBSIDIARY OF  
MEGHMANI ORGANICS LIMITED (MOL) PLANS TO SET UP  
CAUSTIC POTASH PLANT AT GIDC DAHEJ, BHARUCH**

We hereby inform that Meghmani Finechem Limited (MFL) Subsidiary of Meghmani Organics Limited (MOL) Plans to set up Caustic Potash plant of 60 Mt. Per day at its existing manufacturing facility situated at Plot No. CH1,CH2, GIDC Dahej, Bharuch. The Cost of the project is estimated at Rs. 65 Crores. The Project is to commence commercial production by September, 2015.

MFL will earn revenue of Rs. 130 Crore and Profit before Tax of Rs. 17 Crore, in full financial operation of financial year 2016-17.

The detailed press release in this regard is enclosed herewith for information of the members.

We request you to take the same on record.

Thanking you.

Yours faithfully,  
For Meghmani Organics Limited

Ashish Soparkar  
Managing Director



## **MEGHMANI FINECHEM LIMITED (MFL) SUBSIDIARY OF MEGHMANI ORGANICS LIMITED (MOL) PLANS TO SET UP CAUSTIC POTASH PLANT AT GIDC DAHEJ**

Meghmani Finechem Limited (MFL), is a subsidiary of Meghmani Organics Limited (MOL). MOL holds 57% of Equity Shares of MFL. The Caustic Chlorine plant is located at GIDC Dahej, Dahej, Bharuch, in South Gujarat.

MFL has completed its capacity expansion to increase the manufacturing capacity of Caustic Chlorine from 340 TPD to 476 TPD in January, 2014 and increased Captive power plant capacity from 40 MW to 60 MW in July, 2014. To leverage these strengths, MFL has identified to set up Caustic Potash Plant of 60 Mt per day.

### **PRODUCT :-**

Caustic Potash commonly known as Potassium Hydroxide, (KOH), is produced by the electrolysis of potassium chloride brine in electrolytic cells when potassium chloride brine is fed to the electrolytic cell, the process yields a solution of potassium hydroxide and Co-products of Chlorine and Hydrogen.

Potassium Hydroxide are water soluble Potassium Hydroxide Flakes. Its chemical formula is KOH.

### **USAGE:-**

Caustic Potash (KOH) is one of the very few chemicals finding almost Universal application.

The largest users for KOH are the Soap, Detergent, Fertilizer and Chemical industries. The Minor users for Caustic Potash are Molten salt, Dyes, Pharmaceuticals and Photography.

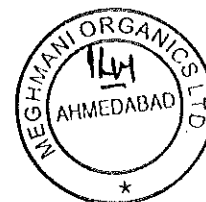
KOH has also played a crucial role in identification of a metallic element, and continues to be important today in research science, medicine, household cleaners and several industrial processes.

### **LOCATION:-**

KOH plant will be set up in the existing manufacturing facility of Caustic Chlorine situated at CH1 & CH2, GIDC Dahej, Taluka Vagra, Bharuch,

### **CAPACITY:-**

The installed capacity of KOH will be 60 MT per day. The process will also yield Chlorine and Hydrogen.



**TECHNOLOGY:-**

MFL is using the latest 4th generation Membrane Cell Technology in the world from Asahi Kasei Chemicals Corporation (AKCC) Japan, one of the most established technology providers for the manufacture of Chlor-alkali chemicals..

**Mr. Maulik Patel – Head Project** informing that MFL having proven experience of Japanese Technology from Asahi Kasei Chemicals Corporation (AKCC), has once again decided to use Membrane Cell Technology from AKCC for its KOH project.

**LOCATION:-**

KOH project will be set up in the existing 6,00,000 Square Meter (Approx) Land of MFL situated at CH-1, CH-2, GIDC Dahej. Taluka Vagra, District Bharuch.

**LOCATION ADVANTAGE:-**

The basic advantage of the present location is ready infrastructure like availability of land, manpower, and installed utility required to set up KOH project. This will help MFL in reducing the cost of production of KOH.

**MARKET:-**

In next few years market growth is expected to be noticed in Latin America, large Asian countries and Russia. India and China are the one of the largest economies in terms of population are expected to be the most dominant regions in Asia Pacific. Capacity utilization rates are about 90% and expected to go up.

The non fertilizer market for potassium chemicals are approximately 15% in the United States, 20% in Europe and 28% in Japan The largest industrial market for potassium chloride is for potassium hydroxide production. The rise in natural gas prices, weak agricultural demand and price competition from imports have resulted in consolidation of the industry.

**Mr. Kaushal Soparkar - Head Project** informed that MFL does not envisage any difficulty in marketing Potassium Hydroxide.

**FINANCIALS:-**

MFL has firmed up the cost of the Project at Rs. 55 Crores. MFL expects to commence commercial production by September, 2015.

**Ms. Deval Soparkar – Head Corporate communication (MOL)** referring to the Cost of Project expressed that MFL will have enough surplus to fund the Project from its Internal Accruals. However, the Company may fund the project from Internal Accruals and term Loan. She further expressed that on setting up the project MFL expects to achieve Turnover of Rs. 130 Crores and Profit before Tax (PBT) of Rs. 17 Crores in full financial year operation of FY 2016-17.

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