



# MEGHMANI ORGANICS LIMITED

(Incorporated as a limited liability company in India)

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## RESPONSES TO SGX QUERIES ON ITS ANNOUNCEMENT RELEASED ON 2 OCTOBER 2017 – QUERIES ON FIRST QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2017

The Board of Directors of Meghmani Organics Limited (the “Company”) refers to its announcement released on 2 October 2017 (the “Earlier Announcement”) and the queries raised by the Singapore Exchange Securities Limited (the “SGX”) on 5 October 2017 regarding the Earlier Announcement, and sets out below its responses to the queries from the SGX as follows:-

### **Query 1**

*Please provide details on the Board’s assessment of the recoverability of the Trade receivables aging above 180 days.*

### **Response to Query 1**

The Company has formed a Committee consisting of CEO, CFO, Head Marketing Export and Domestic Marketing Teams to review receivables. The Committee is meeting on regular basis to review the outstanding receivables and the efforts made by the marketing team of Agro and Pigment of the Company. The Provision made for doubtful Debt is result of the efforts made.

### **Query 2**

*Please elaborate on the efforts undertaken by the Company in recovering the debts before the write off which amounted to Rs 47.13million for period ended Q1 FY2018.*

### **Response to Query 2**

The efforts made by the Company are described hereunder:-

<b>Sundry Balance Written Off / Back</b>		
FMS - Entitlement - Export Incentive	10,424,311	The certain exports made under Merchant Exports Scheme were not considered eligible for incentive by authority. Hence the Company has to write off the amount booked as receivable.
Creditors Written off (Balance Amount)	1,224,646	This is towards the advances given for goods and services, which has not been received back from the parties.
<b>Total</b>	<b>11,648,957</b>	

<b>Particulars</b>	<b>Breakup Rs.</b>	<b>Reasons</b>
<b>Bad Debts</b>	<b>13,819,768</b>	Out of total Bad Debts, the major amount is Rs. 12,00,000/- of a Single Company which closed its business operations and could not recover the money from its Customers. As a result the Company also could not recover its amount .
<b>Provision Of Doubtful Debts</b>	<b>21,658,849</b>	The Company has filed legal cases for recovery of the amounts. However as a prudent practice the Company has made the provision for such doubtful Debts.

By Order of the Board

Kamlesh Dinkerray Mehta  
Company Secretary  
9 October 2017