MEGHMANI ORGANICS LIMITED **Date 26.05.2017**

Full year Financial Statement And Dividend Announcement for the Year Ended 31 March 2017

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, 2017 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		%
	31.03.2017	31.03.2016	Increase / (Decrease)	31.03.2017	31.03.2016	Increase / (Decrease)
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	Rs. '000
Revenue	14,035,903	13,170,387	6.6	10,253,161	9,428,080	8.8
Cost of sales	(11,132,576)	(10,155,891)	9.6	(8,507,796)	(7,660,326)	11.1
Gross Profit	**2,903,327**	**3,014,496**	**-3.7**	**1,745,365**	**1,767,754**	**-1.3**
Other operating income	272,153	223,409	21.8	268,337	219,120	22.5
Distribution expenses	(831,227)	(799,657)	3.9	(725,695)	(705,367)	2.9
Administrative expenses	(286,482)	(259,302)	10.5	(229,752)	(285,368)	-19.5
Other operating expenses	9,306	(76,301)	-112.2	(38,807)	(78,857)	-50.8
Profit from operations	**2,067,077**	**2,102,645**	**-1.7**	**1,019,448**	**917,282**	**11.1**
Finance cost	(509,458)	(638,570)	-20.2	(364,741)	(420,589)	-13.3
Income from investments	-	-		-	-	
Profit before tax	1,557,619	**1,464,075**	**6.4**	**654,707**	**496,693**	**31.8**
Income tax	(395,524)	(351,237)	12.6	(239,601)	(133,940)	78.9
Profit after income tax	**1,162,095**	**1,112,838**	**4.4**	**415,106**	**362,753**	**14.4**
Other Comprehensive Income (net of tax)	(3,379)	201	n.m.	(1,965)	469	n.m.
Total Comprehensive Income Attributable to						
Minority Interest	(284,451)	(287,692)	-1.1			
Owners of the Company	**874,265**	**825,347**	**5.9**	**413,141**	**363,222**	**13.7**

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

	Group			Company		
	Year ended		%	Year ended		%
	31.03.2017	31.03.2016	Increase (Decrease)	31.03.2017	31.03.2016	Increase (Decrease)
	Rs. '000	Rs. '000		Rs. '000	Rs. '000	
Foreign currency exchange adjustment loss/(gain)	19,267	133,512	-85.6	12,448	125,380	-90.1
Loss on disposal of plant and equipment	(534)	(1,398)	-61.8	(534)	(1,153)	-53.7
Research and Developments expenditure	(13,544)	(14,776)	-8.3	(12,647)	(13,863)	-8.8
Sundry Balance written off	(9,427)	(208,415)	-95.5	(50,721)	(203,084)	-75.0

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 31.03.2017	**As at 31.03.2016**	**As at 31.03.2017**	**As at 31.03.2016**
	Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**
ASSETS				
Current assets				
Cash & bank balances	205,147	133,409	92,274	97,288
Available for sale investments	285,270	-	-	-
Trade receivables	3,309,102	3,269,337	2,977,664	2,948,637
Other receivables and prepayments	1,488,233	956,723	1,320,268	790,987
Inventories	2,416,807	3,125,774	2,090,362	2,638,717
Income tax recoverable	591,937	422,532	118,942	210,452
Total current assets	**8,296,496**	**7,907,775**	**6,599,510**	**6,686,081**
Non – current assets				
Property, plant and equipments	7,972,420	8,273,598	4,001,477	4,055,267
Interest in subsidiaries	-	-	1,244,340	1,242,605
Available for sale investments	5,853	5,853	5,843	5,843
Total non – current assets	**7,978,273**	**8,279,451**	**5,251,660**	**5,303,715**
Total assets	**16,274,769**	**16,187,226**	**11,851,170**	**11,989,796**
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	3,497,371	3,640,492	2,625,407	2,868,877
Trade payables	1,468,761	1,740,239	1,475,248	1,524,479
Other payables	615,733	542,052	378,390	380,138
Total current liabilities	**5,581,865**	**5,922,783**	**4,479,045**	**4,773,494**
Non – current liabilities				
Long Term Loan	1,206,622	2,157,251	765,917	1,029,551
Deferred tax liabilities	752,037	527,371	274,808	266,322
Total non – current liabilities	**1,958,659**	**2,684,622**	**1,040,725**	**1,295,873**
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	895,558	896,718	896,718
Capital reserve	3,518	3,518	3,122	3,122
Capital redemption reserve	18,433	18,433	18,433	18,433
Dividend reserve	2,301	4,471	2,301	4,471
Currency translation reserve	71,502	74,130	-	-
Debenture redemption reserve	-	-	-	-
Hedge reserve	(2,166)	(2,672)	-	-
Other Comprehennsive Income	(2,457)	316	(1,496)	469
Accumulated profits	4,380,793	3,503,755	3,592,960	3,177,854
Minority interest	1,547,401	1,262,950	-	-
Total equity	**8,734,245**	**7,579,821**	**6,331,400**	**5,920,429**
Total liabilities and equity	**16,274,769**	**16,187,226**	**11,851,170**	**11,989,796**

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 31.03.2017		**As at 31.03.2016**	
Secured		**Secured**	
Group	**Company**	**Group**	**Company**
Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**
3,497,371	2,625,407	3,640,492	2,868,877

As at 31.03.2017		**As at 31.03.2016**	
Un –Secured		**Un –Secured**	
Group	**Company**	**Group**	**Company**
Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**
-	-	-	-

Amount repayable after one year

As at 31.03.2017		**As at 31.03.2016**	
Secured		**Secured**	
Group	**Company**	**Group**	**Company**
1,206,622	765,917	2,157,251	1,029,551

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, 2017, bank borrowings amounting to **Group Rs.1,513,178,000 & Company Rs.,1,283,010,,000** are secured by:

(a) 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

(b) 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, 2016, bank borrowings amounting to **Group Rs.,1,731,327,000 & Company Rs. 1,640,082,000** are secured by:

(a) 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

(b) 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, 2017, bank borrowings amounting to **Rs. 364,316,000** are secured.

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

Bank B (HDFC Bank Limited – Term Loan)

As at March 31, 2017, HDFC Term Loan Dahej – SEZ of **Rs. 180,000,000** which is secured and repayable after one year. and **Rs. 60,000,000** repayable within one year.

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.

Bank C (SBI – Term Loan)

As at March 31, 2017, SBI Term Loan of **Rs. 585,917,000** which is secured and repayable after one year. and **Rs. 205,000,000** repayable within one year.

As at March 31, 2016, SBI Term Loan of **Rs. 789,551,000** which is secured and repayable after one year. and **Rs. 205,000,000** repayable within one year.

Bank D (State Bank of India)

As at March 31, 2017, bank borrowings amounting to **Rs. 600,000,000** are secured.

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

Bank E (Standard Chartered Bank Limited)

As at March 31, 2017, bank borrowings amounting to **Rs. 97,275,000** are secured.

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

Bank F (ICICI Bank Limited)

As at March 31, 2017, bank borrowings amounting to **Rs. Nil** are secured.

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

Bank G (Buyers Credit)

As at March 31, 2017, bank borrowings amounting to **Rs. 15,806,000** are secured.

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

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

As at March 31, 2017, bank borrowings amounting to **Rs. 348,062,000** (repayable after one year) and **Rs. 456,510,000** (repayable within one year) are secured by Mortgage/hypothecation of assets.

As at March 31, 2016, bank borrowings amounting to **Rs.843,750,000** (repayable after one year) and **Rs. 349,095,000** (repayable within one year) are secured by Mortgage/hypothecation of assets.

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

As at March 31, 2017, bank borrowings amounting to **Rs. 92,643,000** (repayable after one year) and **Rs.185,286,000** (repayable within one year) are secured by Mortgage/hypothecation of assets.

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.

Bank J (ECB - Standard Chartered Bank)

As at March 31, 2017, bank borrowings amounting to **Rs Nil** (repayable after one year) **Rs Nil** (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, 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.

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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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities:				
Profit from operations	2,067,077	2,102,645	1,019,448	917,282
Adjustments for :				
Depreciation on property, plant and equipment	907,237	767,600	384,698	361,867
Unrealised foreign exchange gain (loss)	(52,633)	(63,518)	(55,514)	(60,487)
Actuarial Valuation of Gratuity	(5,167)	-	(3,006)	-
Interest received	(30,951)	(29,710)	(28,501)	(26,702)
Interest on income tax	-	368	-	368
Diminution in Investment	-	-	-	81,144
Loss on disposal of property, plant and equipment	534	1,398	534	1,153
Operating cash flows before movement in working capital	**2,886,097**	**2,778,783**	**1,317,659**	**1,274,625**
Trade receivables	(39,765)	(685,029)	(29,026)	(588,074)
Other receivables and prepayments	(478,877)	331,951	(473,768)	264,517
Inventories	708,967	(446,335)	548,355	(233,051)
Trade payables	(271,477)	556,661	(49,230)	327,649
Bills payables	(125,829)	(167,277)	(125,829)	(167,277)
Other payables	73,678	(167,679)	(1,748)	(115,029)
Cash generated from operations	**2,752,794**	**2,201,075**	**1,186,413**	**763,360**
Income taxes paid	(335,947)	(337,994)	(136,038)	(168,263)
Interest and finance charges paid	(509,458)	(638,570)	(364,741)	(420,589)
Net cash from operating activities	**1,907,389**	**1,224,511**	**685,634**	**174,508**
Cash flows from investing activities:				
Purchase of property, plant & equipments	(611,386)	(1,023,390)	(336,236)	(385,430)
Proceeds on disposal of property, plant & equipments	4,794	23,435	4,794	1,955
Interest received	28,424	29,710	25,974	26,702
Investments	-	(250)	(1,735)	(3,674)
Net cash used in investing activities	**(578,168)**	**(970,495)**	**(307,203)**	**(360,447)**
Cash flows from financing activities:				
Dividend paid	(2,170)	(75,381)	(2,170)	(75,381)
Tax on dividend paid	-	(15,532)	-	(15,532)
Decrease in Hedge Reserve	506	59,795	-	63,150
Proceeds from bank borrowings, net of repayments	(381,523)	(746,569)	205,123	(105,012)
Proceeds from other borrowings, net of repayments	(586,398)	303,432	(586,398)	303,432
Other Borrowings	-	-	-	-
Net cash from financing activities	**(969,585)**	**(474,255)**	**(383,445)**	**170,657**
Net effect of exchange rate change in consolidation	(2,628)	(735)	-	-
Net (decrease) increase in cash and cash equivalents	357,008	(220,974)	(5,014)	(15,282)
Cash and cash equivalents at the beginning of the year	**133,409**	**354,383**	**97,288**	**112,570**
Cash and cash equivalents at the end of the year	**490,417**	**133,409**	**92,274**	**97,288**

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	Other Comprehensive Income	Minority Interest	Total
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**	**2,699,258**	**-**	**975,258**	**6,386,493**
Net profit for the year	-	-	-	-	-	-	-	-	-	825,347	-	-	825,347
Transfer to (from) reserve	-	-	27,500	-	-	-	-	-	-	(27,816)	316	-	-
Proposed / Interim dividend	-	-	-	-	-	-	-	91,826	-	(91826)	-	-	-
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)	(13349)	-	287,692	346,753
Balance as at March 31,2016	**254,314**	**1,565,048**	**895,558**	**3,518**	**18,433**	**(2,672)**	**-**	**4,471**	**74,130**	**3,503,755**	**316**	**1,262,950**	**7,579,821**
Net profit for the year	-	-	-	-	-					874,265			874,265
Transfer to (from) reserve	-	-		-	-					2,773	(2,773)		-
Addition during year	-	-			-	506		(2,170)	(2,628)			284,451	280,159
Balance as at March 31,2017	**254,314**	**1,565,048**	**895,558**	**3,518**	**18,433**	**(2,166)**	**-**	**2,301**	**71,502**	**4,380,793**	**(2,457)**	**1,547,401**	**8,734,245**

Company

Rs. '000

	Issued capital	**Share premium**	**General reserve**	**Capital Reserve**	**Capital redemption reserve**	**Debenture Redemption reserve**	**Dividend reserve**	**Hedge Reserve**	**Other Comprehensive Income**	**Accumulated Profits**	**Total**
Balance as at March 31,2015	**254,314**	**1,565,048**	**744,218**	**3,122**	**18,433**	**111,651**	**3,558**	**(63,150)**	**-**	**2,947,776**	**5,584,970**
Net profit for the year	-	-	-	-	-	-	-	-	-	363,222	363,222
Transfer to (from) reserve	-	-	27,500	-	-	-	-	-	469	(27,969)	-
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**	**-**	**469**	**3,177,854**	**5,920,429**
Net profit for the year	-	-	-	-	-					413,141	413,141
Transfer to (from) reserve	-	-		-	-				(1,965)	1,965	-
Addition during the year	-	-	-	-	-		(2,170)				(2,170)
Balance as at March 31,2017	**254,314**	**1,565,048**	**896,718**	**3,122**	**18,433**	**-**	**2,301**	**-**	**(1,496)**	**3,592,960**	**6,331,400**

31(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 2017		31 March 2016
Total number of issued ordinary shares **Excluding treasury shares**	18,458,940		37,433,450

During the year the Company has issued <u>18, 974,510</u> 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 Acceptble 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 Company has prepared the accounts in accordance with the accounting principles Generally Accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Indian Companies Act, 2013.

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.

The Company has prepared the accounts in accordance with the accounting principles Generally Accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Indian Companies Act, 2013.

The reasons for change are mandatory requirements. These Standards are adopted to put the accounts prepared in India at Par with International Financial Reporting System (IFRS).

There is no effect on the Profitability due to changes in the accounting policies and methods.

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.

	Group		**Company**	
Earnings per Ordinary shares	**Year ended**		**Year ended**	
	31.03.2017	**31.03.2016**	**31.03.2017**	**31.03.2016**
(a) Based on weighted average number of ordinary shares in issue (Rs)	3.44	3.25	1.62	1.43
Earnings per SDS (Rs)	1.72	1.63	0.81	0.72
(b) On a fully diluted basis (detailing any adjustments made to the earnings) (Rs)	3.44	3.25	1.62	1.43
Earnings per SDS (Rs.)	1.72	1.63	0.81	0.72

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.

	Group		**Company**	
	As at 31.03.2017	**As at 31.03.2016**	**As at 31.03.2017**	**As at 31.03.2016**
Net assets value per ordinary share based on issued share capital at the end of the year reported in Rs.	34.34	29.80	24.90	23.28

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 and Caustic Potash) (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, 2017

Revenue -Group

Group revenue for FY 2017 increased by 6.6% from Rs. 13170.39 million in FY 2016 to Rs. 14035.90 million in FY 2017.

Breakdown of Revenue by Product

(Rs. in Millions)

Products	FY 2017	FY 2016	Increase/ (Decrease)	%
Pigment	4801.74	4086.39	715.35	17.5
Agrochemical	4774.15	4313.31	460.84	10.7
Caustic Chlorine	3648.78	3671.67	-22.89	-0.6
Trading / Subsidiary	811.23	1099.02	-287.79	-26.2
Total	**14035.90**	**13170.39**	**865.51**	**6.6**

Breakdown of Exports Sales by Product

(Rs. in Millions)

Export Sales	FY 2017	FY 2016	Increase/ (Decrease)	%
Pigment	3291.90	2935.97	355.93	12.1
Agrochemical	2929.95	2917.58	12.37	0.4
Caustic Chlorine	203.08	98.29	104.79	106.6
Trading / Subsidiary	803.47	1086.99	-283.52	-26.1
Total	**7228.40**	**7038.83**	**189.57**	**2.7**

Breakdown of Domestic Sales by Product

(Rs. In Millions)

Domestic Sales	FY 2017	FY 2016	Increase/ (Decrease)	%
Pigment	1509.84	1150.42	359.42	31.2
Agrochemical	1844.20	1395.73	448.47	32.1
Caustic Chlorine	3445.70	3573.38	-127.68	-3.6
Trading	7.76	12.03	-4.27	-35.5
Total	**6807.50**	**6131.56**	**675.94**	**11.0**

Reasons for Increase / (Decrease) in Sales

1) Export sales of Pigment Division increased by 12.10% due to higher realization of CPC Blue and quantity sales.

2) Export sales of Agrochemical Division increased marginally by 0.4% .

3) Export sales of Basic Chemicals increased by 106.6% due to new export customers.

4) Domestic sales of Pigment Division increased by 31.2% because of higher quantity sales of Alpha Blue and Beta Blue.

5) Domestic sales of Agrochemical Division increased by 32.1 % due to increase in sale quantity of 2, 4D and Cypermethrin.

6) Domestic sales of Caustic Chlorine Division decreased by 3.6 % due to less quantity sales and reduction in ECU during the year.

Revenue - Company

Company revenue for FY 2017 increased by Rs. 825.08 million i.e.by 8.8% from Rs. 9428.08 million in FY 2016 to Rs. 10253.16 million in FY 2017.

BREAKDOWN OF REVENUE BY PRODUCT

(Rs. in Millions)

Products	FY 2017	FY 2016	Increase/ (Decrease)	%
Pigment	5116.92	4654.27	462.65	9.9
Agrochemical	4774.15	4311.92	462.23	10.7
Trading / Subsidiary	362.09	461.89	-99.80	-21.6
Total	**10253.16**	**9428.08**	**825.08**	**8.8**

Breakdown of Exports Sales by Product

(Rs. in Millions)

Export Sales	FY 2017	FY 2016	Increase/ (Decrease)	%
Pigment	3607.08	3503.85	103.23	2.9
Agrochemical	2929.95	2916.19	13.76	0.5
Trading	354.33	449.86	-95.53	-21.2
Total	**6891.36**	**6869.90**	**21.46**	**0.3**

Breakdown of Domestic Sales by Product

(Rs. in Millions)

Domestic Sales	FY 2017	FY 2016	Increase/ (Decrease)	%
Pigment	1509.84	1150.42	359.42	31.2
Agrochemical	1844.20	1395.73	448.47	32.1
Trading	7.76	12.03	-4.27	-35.5
Total	**3361.80**	**2558.18**	**803.62**	**31.4**

Reasons for Increase / (Decrease) in Sales

1) Export sales of Pigment Division increased marginally by 2.9%.

2) Export sales of Agrochemical Division increased marginally by 0.5%.

3) Export sales of Trading Division decreased by 21.2% due to less export orders.

4) Domestic Sales of Pigment Division increased by 31.2% mainly due to higher quantity sales of CPC Blue & Beta Blue.

5) Domestic Sales of Agrochemical Division increased by 32.1 % due to increase in sale quantity of 2,4D and Cypermethrin.

6) Domestic Sales of Trading Division decreased by 35.5% mainly due to less quantity sales.

Gross profit - Group

The gross profit decreased by 3.7% from Rs. 3014.50 million in FY 2016 to Rs. 2903.33 million in FY 2017. The gross profit margin decreased from to 22.9% in FY 2016 to 20.7% in FY 2017.

Breakdown of Gross Profit by Division

(Rs. in Millions)

Division	FY 2017	GP Margin FY 2017 (%)	FY 2016	GP Margin FY 2016 (%)	Increase/ (Decrease)	Increase/ Decrease (%)
Pigment	954.06	19.9	854.83	20.9	99.23	11.6
Agrochemical	772.62	16.2	880.74	20.4	-108.12	-12.3
Caustic Chlorine	1109.44	30.4	1239.09	33.7	-129.65	-10.5
Trading/Subsidiary	67.21	8.3	39.84	3.6	27.37	68.7
Total	**2903.33**	20.7	**3014.50**	22.9	**-111.17**	**-3.7**

REASONS FOR INCREASE / (DECREASE) IN GP MARGIN

GP of Pigment

The gross profit of Pigment Division increased by 11.6% due to higher quantity sales of Alpha Blue and Beta Blue. While GP margin decreased marginally from 20.9% in FY 2016 to 19.9% in FY 2017 due to pressure on sales prices of Alpha and Beta Blue.

GP of Agrochemical

The gross profit of Agrochemical Division decreased by 12.3% . because of pressure on sales prices. The GP margin decreased from -20.4% in FY 2016 to 16.2% in FY 2017 due to decrease in Sales Quantity of Zeta Cypermethrin and MPB.The Raw material consumption also increased.

GP of Caustic Chlorine

The gross profit of Caustic Chlorine Division decreased by 10.5%. This is due to decrease in Production and Sales quantity. The GP margin decreased from 33.7% in FY 2016 to 30.4% in FY 2017 due to decrease in ECU.

Gross profit – Company

The gross profit at Company level decreased marginally by 1.3% from Rs. 1767.75 million in FY 2016 to Rs. 1745.37 million in FY 2017. The gross profit margin decreased from 18.7% in FY 2016 to 17.0% in FY 2017. The main contributories for decrease in gross profits is Agrochemical and Trading division.

BREAKDOWN OF GROSS PROFIT BY DIVISION

(Rs. in Millions)

Division	**FY 2017**	**GP Margin FY 2016 (%)**	**FY 2016**	**GP Margin FY 2016 (%)**	**Increase/ (Decrease)**	**%**
Pigment	954.06	18.6	854.83	18.4	99.23	11.6
Agrochemical	772.62	16.2	880.74	20.4	-108.12	-12.3
Trading / Subsidiary	18.69	5.2	32.18	7.0	-13.49	-41.9
Total	**1745.37**	**17.0**	**1767.75**	**18.7**	**-22.38**	**-1.3**

Reasons for increase / (decrease) in GP margin

GP margin of Pigment

The amount of gross profit of Pigment Division increased by 11.6% due to higher quantity sales of Alpha Blue and Beta Blue. The GP margin increased marginally from 18.4 % in FY 2016 to 18.6% in FY 2017.

GP of Agrochemical

The amount of gross profit of Agrochemical Division decreased by 12.3%. because of pressure on sales prices. The GP margin decreased from 20.4% in FY 2016 to 16.2 % in FY 2017 due to decrease in Sales Quantity of Zeta Cypermethrin and MPB. The Raw material consumption also increased.

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 increased by Rs. 48.74 million and Rs. 49.22 million in FY 2017 respectively mainly due to increase 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 increased by Rs. 31.57 million, i.e. by 3.9% and the Company increased by Rs. 20.33 million i.e. by 2.9%. This is in proportion to increase in Domestic sales during the year.

Administrative expenses – Group & Company

Administrative expenses of Group increased by Rs. 27.18 million i.e. by 10.5% mainly due to increase in rates & taxes, legal & professional fees and payment of performance bonus to Working Director and at Company level decreased by Rs. 55.62 million i.e. by 19.5%.This is on account of Diminution in value of investment of wholly owned subsidiary in the previous year.

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 2017 decreased by Rs. 129.11 million, i.e. by 20.2% at Company level decreased by Rs. 55.85 million i.e. by 13.3% the reason being capitalization of interest, reduction in rate of interest and repayment of 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.44.29 million in FY 2017 and at the Company level increased by Rs. 105.66 million in FY 2017 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 is listed on any of the Stock Exchanges.

Other Comprehensive income.

Other comprehensive income (OCI) is defined as comprising ‘items of income and expense (including reclassification adjustments) that are not recognised in profit or loss.

BALANCE SHEET

Trade receivables

The balance of Group Trade Receivables increased marginally by Rs. 39.76 million, i.e. by 1.2% and at the Company level by Rs. 29.03 million i.e. by 1.0%. The receivables turnover ratio decreased from 91 days as at 31 March 2016 to 86 days as at 31 March 2017. The decrease in receivable turnover ratio indicates improvement in collection.

Inventories

The Group Inventories for FY 2017 decreased by Rs. 708.97 million and at the Company level by Rs. 548.35 million. The Finished Goods and Raw material Inventories decreased.

Property, Plant and Equipments

Property, Plant and Equipment at Group level decreased by Rs. 301.18 million and at Company level decreased by Rs. 53.79 million in FY 2017 respectively.

Bank Borrowings and Long Term Loan

Bank borrowings (current and non current liabilities) in FY 2017 at Group level decreased by Rs 1093.75 million This is mainly due to repayment of term loan while at the Company level it decreased by Rs. 507.10 million.

Trade payables

Trade Payables of Group decreased by Rs. 271.48 million in FY 2017 while that of Company level by Rs. 49.23 million. This indicates decrease in payable for material and services.

Other payables

The Other Payables of Group increased by Rs 73.68 million in FY 2017 while that of Company decreased by Rs. 1.75 million.

Cash flow statement

During the year, the Group generated positive cash flows of **Rs. 1907.39 million** while Company generated **Rs. 685.63 million** from operating activities.

FINANCIAL ANALYSIS – GROUP LEVEL

(Rs. in millions)

Group Key financial highlights	**As at 31.03.2017**	**As at 31.03.2016**	**Variance**	**Variance (%)**
Profitability				
Sales	14,036	13170	866	6.6
Gross Profit	2,903	3014	-111	-3.7
Gross Profit Margin (%)	20.7	22.9	-2.2	-9.6
Profit before tax	1558	1464	94	6.4
Profit before tax Margin (%)	11.1	11.1	-	-
Net profit	874	825	49	5.9
Earnings Per Share (EPS in Rs.)	3.44	3.25	0.19	5.8
Annualised return on equity (ROE)	10.01	10.89	-0.88	-8.1
Financial position				
Net Tangible Assets	8,734	7,580	1154	15.2
Debt (short term + long term)	4,704	5,798	-1094	-18.9
Capital Gearing ratio	0.54	0.76	-0.22	-28.9
Net Tangible Assets per share	28.26	24.84	3.42	13.8
Stock Turnover (days)	79	112	-33	-29.5
Trade Debts Turnover (days)	86	91	-5	-5.5

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.**

INDUSTRY STRUCTURE: -

Pigments:-

Pigments are classified as either organic or inorganic. Organic pigments include azo pigments, which contain a nitrogen group; they account for most of the organic red, orange, and yellow pigments. Copper phthalocyanines provide brilliant, strong blues and greens that are unusually colourfast for organic colours. Some pigments, such as fluorescent ones, are simply dyes that have been rendered insoluble by chemical reaction. Traditionally organic pigments are used as mass colorants. They are popular in plastics, synthetic fibres and as surface coatings-paints and inks. In recent years, the organic pigments are used for hi-tech applications that include photo-reprographics, opto-electronic displays and optical data storage.

Organic Pigments Market Dynamics :-

Major factors driving growth of the organic pigments market include their increasing use in plastic, paint, coatings and textile industries.

Moreover, upswing in number of textile industries and increasing demand of plastic products owing to various macro-economic factors is expected to boost the demand of organic pigments, in turn, fuelling the growth of global organic pigments market over the forecast period.

Manufacture of organic pigments with good light fastness property is gaining traction among global manufacturers. Besides, developing countries such as China & India are shifting towards becoming the center of global organic pigments market, both from the demand and supply side. Moreover, owing to their ability to providing a wide color spectrum compared to their inorganic counterpart, organic pigments are expected to substitute inorganic pigments for some specific applications over the coming years.

Organic Pigments Market: Segmentation :-

Global organic pigments market is segmented on the basis of source of production and application.

- On the basis of production source, global organic pigments market is categorized into natural and synthetic segments.

- On the basis of application, global organic pigments market is segmented into paints and coatings, plastics, printing inks, textiles, cosmetics, food, chemical, and others.

Organic Pigments Market: Regional Outlook :-

Global organic pigments market is segmented into seven key regions namely North America, Latin America, Eastern Europe, Western Europe, Asia-Pacific Excluding Japan (APEJ), Japan and Middle East and Africa (MEA). Upsurge in development of textile & plastic industries in Asia-pacific is expected to boost the demand of organic pigments market in the region by 2026 end.

Overview of the global organic pigments market :-

Organic pigments have peculiarly unique properties that ensure hues that other kinds of pigments fail to produce. They are used to provide metallic finishes and elastic properties. Owing to superior property, organic pigments are highly preferred in specialized applications in the original equipment manufacturers (OEMs), refinished, and high-end automobile industries. Organic pigments are also being used to improve aesthetics and the functional values in both paints and plastics segments. These pigments are used in paints that can protect against harsh weather, dampness, corrosion, fungi, and other destructive influences on the building. Moreover, some of them are also used as a plasticizer dampened powders that allow functional advantages such as light reflection, heat reflection, opacity, and gas and vapor barrier. With paints and coatings with low VOC content gaining prominence, the market for organic pigments is expected to witness massive growth during the forecast period.

In terms of geography, Asia Pacific (APAC) is the largest and dominating region in the global market due to the presence of several manufacturers who offer pigments at lower costs in comparison with other regions. APAC is anticipated to lead the market in terms of consumption over the next four years due to increase in infrastructural activities that require paints and coatings with functional benefits. Moreover, the sustainability factor of organic pigments is expected to drive the overall market globally throughout the predicted period.

Competitive landscape and key vendors

The global organic pigments market is extremely competitive owing to the presence of several vendors both at international and regional levels. BASF, Clariant, DIC, Heubach, and LANXESS are some of the global vendors who primarily dominate the market.

The printing inks segment was the largest application segment of organic pigments in 2016 and will continue its dominance during the forecast period. Organic pigments are preferred in printing inks because of their brilliance and rich tinctorial strength. Disazo pigments and naphthol AS pigments are the commonly used organic pigments in the manufacture of printing inks.

Moreover, the rapidly changing consumer demands, along with the growing importance of packaging as a means of branding and advertising, have increased the applications of organic pigments in the packaging sector; which will further drive the market growth for organic pigments for printing inks.

Based on in-depth research, TMR projects the global pigments market to exhibit a moderate CAGR of 3.8% between 2015 and 2023. If the projection holds true, the global pigments market will reach US$31.98 bn by 2023, from a valuation of US$22.86 bn in 2014. Volume-wise the market is expected to report a CAGR of 2.9% during the forecast period (Source: - Transparency Market Research)

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.

In its latest study, Ceresana forecasts global revenues generated with pigments to increase to US$34.2 billion in 2020. The main factors that are contributing to the growth in the industry are increase in demand for high performance pigments (HPP), growth in end-user industries and increasing preference for environmentally-friendly products.

The paints & coatings industry is recording significant growth due to growing infrastructure. According to the industry estimates, the global demand for paints & coating is anticipated to grow at a CAGR of 5.4% during the next five years. Printing ink is another application of the colorants market. The demand for printing ink is driven by various factors such as technological developments and increasing demand for digital inks.

ASIA PACIFIC REGION TO REMAIN FASTEST GROWING

The report confirmed that the Asia Pacific region is anticipated to witness highest regional gains at over 5% CAGR.

Pigment market growth in Asia Pacific is primarily driven by the automotive and construction industries, as well as increasing manufacturing and infrastructure development (specifically in China and India). 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 key countries covered in Asia-Pacific Pigments Market are China, India and othersEastern Europe, the Middle East and South America will see demand rise by more than 3% p.a. each as well and thus contribute to the positive development of the pigment industry. The rather saturated markets in Western Europe and North America will slowly return onto a growth path after they suffered losses in the past couple of years. (Source: Crersana.)

1) **AGROCHEMICALS - INDUSTRY STRUCTURE:-**

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 regulatorsIndia's agrochemical industry can be divided into producers of technical agrochemicals - the bulk actives - and formulators who compound actives in forms that enable use.

In India, there are about 125 technical grade manufacturers (10 multinationals), 800 formulators, over 145,000 distributors. 60 technical grade pesticides are being manufactured indigenously.

Many technical producers are forward-integrated into formulations, unlike in the pharmaceutical industry where there are who make nothing but active pharmaceutical ingredients (APIs).

2) GLOBAL AGROCHEMICALS MARKET:-

The global agrochemicals market is estimated to reach USD 265.04 Billion by 2022 at a CAGR of 4.51%. Factors like growing demand for food and consumer awareness, changing agrochemicals usage patterns, advantages of fertilizers and pesticides in crop production, increasing horticulture industries are the drivers for the market.

Development in technology to boost farm production with increasing government investments in agriculture to increase crop yields provides huge opportunities to this market. Asia-Pacific dominates the global agrochemicals market, accounting for major share in overall market and expected to remain the largest market in the near future due to the increasing demand for food crops from its key countries such as China and India

Lucintel's research indicates that developing countries such as China and India are demanding higher volumes of nutritious food, which will increase demand for agrochemicals. Agrochemicals have significantly increased farm productivity in both developed and developing countries.

Growth in revenue is expected to be higher than volume, owing to the increasing cost of pesticides. Development and registration of a pesticide active ingredient is one of the biggest components of cost for a pesticide company.

Presently, the cost of innovation and registration of an active ingredient is about $200 million, which is a 25% increase from 2000. Companies spend extensively on the research and development of new chemicals and improving the performance of the existing ones.

The pressure, therefore, is for the agriculture industry to increase yields per acre, which can be achieved through increased usage of agrochemical products.

As the study indicates, a large untapped market, shrinking of arable land in recent years, increasing demand for food grain production, and increasing population are anticipated to drive the global agrochemicals industry. The industry is expected to face certain challenges such as regulatory standards to reduce toxicity, high inventory, low profit margins, and patent expirations.

The global market has been witnessing lot of technological advancements and developments over the past few years. The changing buyers' preferences, stringent environmental regulations, changing weather conditions, increased agricultural trade and improved farming practices are triggering the innovations and research efforts of the industry.

North America dominates the global herbicide market and has the largest market share in terms of volume and revenue. Europe is the second largest market for herbicides. North America and Europe are mature markets and are dominated by a few major players. To survive intense competition, companies in this region are focused on new product development.

The global agrochemicals industry experienced robust growth over the last five years but is expected to experience moderate CAGR of 5.4% over next five years (2012-2017) and reach approximately US $262 billion in 2017. New product development and innovation at competitive prices are anticipated to drive the agrochemicals industry.

3) INDIAN MARKET:-

Insecticides are largest sub-segment of agrochemicals with 60% market share whereas herbicides with 16% market share are the fastest growing segment in India. Other segments are rodenticides/ nematocides with 15% and 4%, respectively.

India is fourth largest producer of agrochemicals worldwide, after United States, Japan and China. Indian Agrochemical industry is valued at USD 4.76 billion in FY15 and is estimated to grow at a CAGR of 12% to reach USD 8.38 billion by FY19. Out of this, the domestic market is ~USD 2.43 billion in FY15. Almost 50% is constituted by exports, which is expected to grow by 16% CAGR to reach USD 4.87 billion by FY19, resulting in 60% market share in Agrochemical industry. On the other hand, domestic market will grow at ~8% CAGR to reach USD 3.57 billion by FY19. Indian Agrochemical consumption is one of the lowest in the world (0.6kg/ha). Compared to agrochemical usage, India's fertilizer consumption (~144 kg/ha) is much higher than the global average (~122 kg/ha). This reflects a large potential for agrochemical usage in India.

Availability of cheap labour and low processing costs offers opportunity for MNCs to setup their manufacturing hubs in India for their export markets. The sector is also driven by huge opportunity for contract manufacturing and research for Indian players due to large availability of technically skilled labour.

Indian population is expected to be 1.4 billion by 2020. The increasing population, coupled with growing income will generate increased demand for food grains and non-food grain crops. Therefore, Indian agriculture has to achieve and maintain a consistent and higher growth rate of 4 per cent per annum.

Agrochemicals play a critical role in ensuring food and nutrition security of the nation. With estimated 355 MMTPA (million metric tonne per annum) food grain requirement by 2030 from current 253 MMTPA, efficient usage of crop protection products and solutions for Indian agriculture are the need of the hour. In order to realise the true potential, industry, government and regulatory bodies need to work in tandem and embrace digital technologies to further improve farmer connect,"
(Source :- National Conference on Agrochemicals 2016 in New Delhi.)

The Companies in this sector should increase their investment in the field of research and development of agrochemicals which in turn will spur the exports increasing competitiveness in the global scenario.

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.

Outlook for FY 2018

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 2018.

Market Price

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

Profitability

The Group and Company revenue for FY 2017 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 2017. 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 might have impact on the sales and profitability of Agrochemicals in 1Q FY 2018

11. Dividend

(a) Current Financial Period Reported on 31.03.2017

Any dividend declared for the financial period reported on? Yes

Name of the dividend:	Final
Dividend Type	Cash
Dividend amount per Share (IN INR)	Rs. 0.40 Per Share
Par value of Share	Rs. 1/- per Ordinary share

(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 considered as Final Dividend
Dividend Type	Cash
Dividend amount per Share (IN INR)	Rs. 0.30 Per Share
Par value of Share	Rs. 1/- per Ordinary share

(c) Date payable: The date will be announced once the dividend is approved by the members at AGM

(d) Books closure date: Book closure date will be announced subsequently.

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

Final dividend recommended.

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, 2017 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]	129,743,062	2675	-	-
Matangi Industries[6]	7,978,635	164	-	-
Meghmani LLP	45,606,337	940		
Panchratna Corporation	14,415,300	297		
Total	**197,743,334**	**4076**		
Sales			-	-
Ashish Chemicals (EOU) [4]	23,429,759	483	-	-
Meghmani Dyes & Intermediate LLP	5,139,365	106	-	-
Meghmani Industries Limited[8]	14,027,349	289	-	-
Meghmani Chemicals Limited	6,573,623	136		
Navratan Speciality Chemical LLP	9,797,404	202		
Total	**58,967,500**	**1216**		

Note – Rs. 47.38 = S$1 (Average Rate of Financial Year 2016-2017)

(1) Meghmani Pigments is a partnership firm owned by Mr Jayanti Patel (Executive Chairman) and Mr Ashish Soparkar (Managing Director) and their immediate family.

(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.

[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 under Indian Companies Act and Indian Stock Exchange Rules for a period of three year at the Annual General Meeting held on 28 July 2016.

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 Full year ended **31 March, 2017** to be false or misleading.

15. Undertaking from Directors and officers of the Company stating that they are responsible for ensuring that the Company complies with its obligations under the Listing Rules

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, 2017

	Pigments	**Agro chemicals**	**Basic chemicals**	**Others***	**Eliminations**	**Total**
Revenue:						
External Sales	4,801,744	4,774,149	3,648,780	811,230	-	14,035,903
Sales to Subsidiaries	315,184	0	314,781	10,682	(640,647)	
Total Revenue	**5,116,928**	**4,774,149**	**3,963,561**	**821,912**	**(640,647)**	**14,035,903**
Results						
Segment results	675,549	334,148	894,957	64,750	97,673	2,067,077
Unallocated Expenses						-
Profit from Operations						2,067,077
Finance Costs						(509,458)
Income from Investments						-
Profit before Tax						**1,557,619**
Income Tax						(395,524)
Other Comprehensive Income (net of tax)						(3,379)
Minority Interest						(284,451)
Profit after Tax						**874,265**

	Pigments	**Agro chemicals**	**Basic chemicals**	**Others**	**Eliminations**	**Total**
Other information:						
Capital additions	288,844	117,500	227,133	73,318	-	706,795
Depreciation	(195,054)	(189,059)	(554,301)	(1,050)	32,227	(907,237)
Balance Sheet:						
Segment assets	5,214,888	4,646,494	5,768,216	327,207	(1,565,083)	14,391,722
Unallocated						1,883,047
Corporate assets						-
Total assets						**16,274,769**
Segment liabilities	648,016	1,021,571	1,736,337	304,230	(386,892)	3,323,262
Unallocated						2,699,308
Corporate liabilities						765,917
Deferred Tax Liabilities						752,037
Total liabilities						**7,540,524**

*Others include trading activity.

Segment Results – Group

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

	Pigments	Agro chemicals	Basic chemicals	Others*	Eliminations	Total
Revenue:						
External Sales	4,086,390	4,313,307	3,671,676	1,099,014	-	13,170,387
Sales to Subsidiaries	567,878	(1,398)	315,073	25,478	(907,031)	-
Total Revenue	4,654,268	4,311,909	3,986,749	1,124,492	(907,031)	13,170,387
Results						
Segment results	516,650	407,344	1,065,741	(13,548)	126,458	2,102,645
Unallocated Expenses						-
Profit from Operations						2,102,645
Finance Costs						(638,570)
Income from Investments						-
Profit before Tax						**1,464,075**
Income Tax						(351,237)
Other Comprehensive Income (net of tax)						201
Minority Interest						(287,692)
Profit after Tax						**825,347**

	Pigments	Agro chemicals	Basic chemicals	Others	Eliminations	Total
Other information:						
Capital additions	207,035	155,400	593,632	22,995	-	979,062
Depreciation	(188,475)	(172,728)	(440,510)	(1,495)	35,608	(767,600)
Balance Sheet:						
Segment assets	4,731,538	5,195,927	5,614,468	600,566	(1,841,020)	14,301,479
Unallocated						1,885,748
Corporate assets						-
Total assets						**16,187,227**
Segment liabilities	587,513	1,097,200	2,396,227	603,064	(566,384)	4,117,620
Unallocated						2,932,864
Corporate liabilities						1,029551
Deferred Tax Liabilities						527,371
Total liabilities						**8,607,406**

*Others includes trading activity.

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	**2017**	**2016**
	Rs'000	**Rs'000**
Africa	1,594,404	581,652
Asia	1,876,716	2,512,718
Australia	121,939	106,056
Europe	1,247,281	804,041
India	6,807,509	6,229,857
North America	1,531,554	1,925,129
South America	856,500	1,010,934
Total	**14,035,903**	**13,170,387**

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 2017 Rs.'000	**FY 2016 Rs.'000**	**% Increase (Decrease)**
Sales			
a) Sales reported for first Quarter	3,455,264	3,330,782	124,482
b) Sales reported for second Quarter	3,742,492	3,401,401	341,091
c) Sales reported for third Quarter	3,328,302	3,074,299	254,003
d) Sales reported for fourth Quarter	3,509,845	3,363,905	145,940
Total Sales	**14,035,903**	**13,170,387**	**865,516**
Profit after tax			
a) Profit after tax reported for first Quarter	208,068	149,007	59,061
b) Profit after tax reported for second Quarter	222,470	210,863	11,607
c) Profit after tax reported for third Quarter	240,967	230,502	10,465
d) Profit after tax reported for fourth Quarter	202,760	234,975	-32,215
Total Profit after tax	**874,265**	**825,347**	**48,918**

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

T**otal Annual Dividend (Refer to Para 11 of Appendix 7.2 for the required details)**

	FY 2017(Rs. '000)	**FY 2016**(Rs. '000)
Ordinary	-	76,294
Preference	-	-
Total		**76,294**

Final dividend of 31.03.2017 recommended on 22.05.2017.

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
Mr. Maulik Patel	34	Son of Mr. J M Patel – Executive Chairman	Head Project	No
Mr. Kaushal Soparkar	34	Son of Mr. A N Soparkar - MD	Head Project	No

21. Annual General Meeting :

The Annual General Meeting of the group will be held on **26 July, 2017** 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 Annual Report 2017 will give full reconciliation carried out by KPMG IFRS of the materially affected line items.

23. Reconciliation between IGAAP and IFRS

There is no variance in the profit reported for the year ended 31st March, 2017**.**

BY ORDER OF THE BOARD
Kamlesh Dinkerray Mehta
Company Secretary
Date : 26.05.2017