

Third Quarter Financial Statements and Dividend Announcement

The Board of Directors of Meghmani Organics Limited (“MOL” or “the Company” or “the Issuer”) wishes to make the announcement of the Group’s results for the Third quarter ended December 31, 2017 as follows:

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF YEAR AND FULL YEAR RESULT

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

	Group			Group		
	3 months ended		%	9 months ended		%
	31.12.2017	31.12.2016	Increase (Decrease)	31.12.2017	31.12.2016	Increase (Decrease)
	Rs '000	Rs '000		Rs' '000	Rs' '000	
Revenue	4,479,019	3,166,187	41.5	13,270,741	10,547,745	25.8
Cost of sales	(3,243,241)	(2,507,341)	29.3	(9,687,395)	(8,395,853)	15.4
Gross Profit	1,235,778	658,846	87.6	3,583,346	2,151,892	66.5
Other operating income	89,565	58,232	53.8	237,540	183,656	29.3
Distribution expenses	(280,527)	(204,191)	37.4	(910,188)	(629,713)	44.5
Administrative expenses	(114,106)	(66,616)	71.3	(350,634)	(213,854)	64.0
Other operating expenses	22,600	43,971	-48.6	19,788	89,093	-77.8
Profit from operations	953,310	490,242	94.5	2,579,852	1,581,074	63.2
Finance cost	(109,280)	(127,582)	-14.3	(319,207)	(404,362)	-21.1
Income from investments	1	-	n.m.	154	-	n.m.
Profit before tax	844,031	362,660	132.7	2,260,799	1,176,712	92.1
Income tax	(217,921)	(91,523)	138.1	(650,531)	(300,990)	116.1
Profit after income tax	626,110	271,137	130.9	1,610,268	875,722	83.9
Other Comprehensive Income (net of tax)	(1,401)	(217)	545.6	(2,690)	151	n.m.
Total Comprehensive Income Attributable to						
Minority Interest	(190,969)	(71,370)	167.6	(398,399)	(235,839)	68.9
Owners of the Company	433,740	199,550	117.4	1,209,179	640,034	88.9

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

	Group			Group		
	3 months ended		%	9 months ended		%
	31.12.2017	31.12.2016	Increase (Decrease)	31.12.2017	31.12.2016	Increase (Decrease)
	Rs '000	Rs '000		Rs '000	Rs '000	
Bad trade receivables written off /recovered	(3,948)	(13,126)	-69.9	(91,623)	(14,119)	548.9
Foreign currency exchange adjustment loss/ gain	19,840	56,741	-65.0	103,076	103,383	-0.3
Research and development expenditure	(4,732)	(3,641)	30.0	(13,207)	(11,171)	18.2
(Loss)/Profit on sales of property, plant	6,708	356	n.m.	8,335	(171)	n.m.

Note: n.m. means not meaningful.

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

	Group		Company	
	As at 31.12.2017	As at 31.03.2017	As at 31.12.2017	As at 31.03.2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS				
Current assets				
Cash & bank balances	122,596	125,083	82,924	92,274
Available for sale investments	824,237	285,270	-	-
Trade receivables	4,134,252	3,309,102	3,610,392	2,977,664
Other receivables and prepayments	1,855,419	1,488,233	1,616,045	1,320,268
Inventories	2,456,249	2,416,807	2,124,854	2,090,362
Income tax recoverable	321,067	591,937	(2,516)	118,942
Total current assets	9,713,820	8,216,432	7,431,699	6,599,510
Non – current assets				
Property, plant and equipments	8,418,074	7,972,420	4,548,639	4,001,477
Interest in subsidiaries	-	-	2,331,274	1,244,340
Available for sale investments	5,843	5,853	5,843	5,843
Total non – current assets	8,423,917	7,978,273	6,885,756	5,251,660
Total assets	18,137,737	16,194,705	14,317,455	11,851,170
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	2,105,627	3,417,307	1,424,867	2,625,407
Loan from Corporate	-	-	1,098,554	-
Trade payables	1,905,877	1,468,761	1,790,079	1,475,248
Other payables	904,599	615,733	469,869	378,390
Total current liabilities	4,916,103	5,501,801	4,783,369	4,479,045
Non – current liabilities				
Long Term Loan	2,310,508	1,206,622	2,300,508	765,917
Deferred tax liabilities	764,151	752,037	375,389	274,808
Total non – current liabilities	3,074,659	1,958,659	2,675,897	1,040,725
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	2,213	2,301	2,213	2,301
Currency translation reserve	(6,651)	71,502	-	-
Hedge reserve	(272)	(2,166)	-	-
Other Comprehensive Reserves	(4,537)	(2,457)	(2,971)	(1,496)
Accumulated profits	5,473,551	4,380,793	4,121,312	3,592,960
Minority interest	1,945,800	1,547,401	-	-
Total equity	10,146,975	8,734,245	6,858,189	6,331,400
Total liabilities and equity	18,137,737	16,194,705	14,317,455	11,851,170

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

As at 31 December 2017		As at 31 March 2017	
Secured		Secured	
Group	Company	Group	Company
Rs. '000	Rs. '000	Rs. '000	Rs. '000
2,105,627	1,424,867	3,417,307	2,625,407

As at 31 December 2017		As at 31 March 2017	
Un -Secured		Un -Secured	
Group	Company	Group	Company
Rs. '000	Rs. '000	Rs. '000	Rs. '000
-	-	-	-

Amount repayable after one year

As at 31 December 2017		As at 31 March 2017	
Secured		Secured	
Group	Company	Group	Company
Rs. '000	Rs. '000	Rs. '000	Rs. '000
2,310,508	2,300,508	1,206,622	765,917

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 December 31, 2017, bank borrowings amounting to **Group Rs 368,713,000 & Company Rs. 312,230,000** 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 borrowings from a consortium of banks (Group and Company) (SBI, HDFC and ICICI)

As at March 31, 2017, bank borrowings amounting to **Group Rs.1,433,114,000 & Company Rs. 1,283,010,000** 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 December 31, 2017, bank borrowings amounting to **Rs. 214,790,000** are secured

As at March 31, 2017, bank borrowings amounting to **Rs. 364,316,000** are secured.

Bank B (HDFC Bank Limited – Term Loan)

As at December 31, 2017, HDFC Term Loan of **Rs. 135,000,000** which is secured and repayable after one year. and **Rs. 60,000,000** repayable within one year.

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

Bank C (SBI – Term Loan)

As at December 31, 2017, SBI Term Loan of **Rs. 430,508,000** which is secured and repayable after one year and **Rs. 205,000,000** repayable within one year.

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.

Bank D (ICICI – Term Loan)

As at December 31, 2017, ICICI Term Loan of **Rs. 937,500,000** which is secured and repayable after one year and **Rs. 62,500,000** repayable within one year.

As at March 31, 2017, ICICI Term Loan of **Rs. Nil** which is secured and repayable after one year and **Rs. Nil** repayable within one year.

Bank E (AXIS Bank –Term Loan)

As at December 31, 2017, Axis Bank Term Loan of **Rs. 797,500,000** which is secured and repayable after one year and **Rs. 72,500,000** repayable within one year.

As at March 31, 2017, Axis Bank Term Loan of **Rs. Nil** which is secured and repayable after one year and **Rs. Nil** repayable within one year.

Bank F (State Bank of India)

As at December 31, 2017, bank borrowings amounting to **Rs. 300,000,000** are secured.

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

Bank G (Standard Chartered Bank Limited)

As at December 31, 2017, bank borrowings amounting to **Rs. 116,783 000** are secured.

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

Bank H (Buyers Credit)

As at December 31, 2017, bank borrowings amounting to **Rs. 81,064,000** are secured.

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

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

As at December 31, 2017, bank borrowings amounting to **Rs. Nil** (repayable after one year) and **Rs.533,027,000** (repayable within one year) are secured by Mortgage/hypothecation of assets.

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.

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

As at December 31, 2017, bank borrowings amounting to **Rs. Nil** (repayable after one year) and **Rs. 91,250,000** (repayable within one year) are secured by Mortgage/hypothecation of assets.

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

Bank K (HDFC Bank Limited – MFL)

As at December 31, 2017, bank borrowings amounting to **Rs. 10,000,000** (repayable after one year) and **Rs. Nil** (repayable within one year) are secured by Mortgage/hypothecation of assets.

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

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

Particulars	Group		Company	
	Nine Months ended		Nine Months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities:				
Profit from operations	2,579,852	1,581,074	1,297,172	782,421
Adjustments for :				
Depreciation on property, plant and equipment	710,124	682,922	316,257	288,985
Unrealised foreign exchange gain (loss)	49,811	39,815	50,155	26,374
Interest Received	(26,859)	(6,994)	(25,024)	(5,297)
Actuarial Valuation of Gratuity	(3,875)	-	(2,254)	-
Provision for Diminution in Investment	-	-	12,330	-
Loss on disposal of property, plant and equipment	(8,335)	171	(8,486)	171
Operating cash flows before movement in working capital	3,300,718	2,296,988	1,640,150	1,092,654
Trade receivables	(899,131)	(1,241,068)	(632,728)	(1,181,084)
Other receivables and prepayments	(417,236)	(436,627)	(345,932)	(440,435)
Inventories	(39,442)	599,605	(34,491)	522,920
Trade payables	437,116	927,335	314,830	989,415
Bills payables	(198,220)	(46,041)	(198,220)	(46,040)
Other payables	288,867	95,493	91,480	15,200
Cash generated from operations	2,472,672	2,195,685	835,089	952,630
Income taxes paid/refund received	(363,657)	(241,811)	(173,574)	(89,270)
Interest and finance charges paid	(319,207)	(404,362)	(247,528)	(281,198)
Net cash from operating activities	1,789,808	1,549,512	413,987	582,162
Cash flows from investing activities:				
Purchase of property, plant & equipments	(1,178,663)	(412,992)	(885,916)	(168,544)
(Purchase) / Sale of Investment	10	-	(1,099,264)	(1,302)
Proceeds on disposal of property, plant & equipments	31,220	2,223	30,983	2,223
Interest received	24,776	6,994	22,942	5,297
Investment income received`	154	-	-	-
Net cash used in investing activities	(1,122,503)	(403,775)	(1,931,255)	(162,326)
Cash flows from financing activities:				
Dividend paid	(102,199)	(2,489)	(102,199)	(2,489)
Tax on dividend paid	(20,709)	-	(20,709)	-
Loan from Corporate	-	-	1,098,554	-
Decrease in Hedge Reserve	1,894	(1,277)	-	-
Proceeds from bank borrowings, net of repayments	(94,812)	(748,461)	447,033	(219,527)
Proceeds from other borrowings, net of repayments	85,239	(201,245)	85,239	(201,245)
Net cash from financing activities	(130,587)	(953,472)	1,507,918	(423,261)
Net effect of exchange rate change in consolidation	(238)	(2,498)	-	-
Net (decrease) increase in cash and cash equivalents	536,480	189,767	(9,350)	(3,425)
Cash and cash equivalents at the beginning of the year	410,353	133,409	92,274	97,288
Cash and cash equivalents at the end of the year	946,833	323,176	82,924	93,863

1(d)(i) A statement (Group and Company) 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.

Rs '000

Group	Issued capital	Share premium	General reserve	Capital reserve	Capital redemption reserve	Hedge Reserve	Dividend reserve	Currency Translation Reserve	Accumulated Profits	Other Comprehensive Income	Minority Interest	Total
Balance as at 30 September, 2016	254,314	1,565,048	895,558	3,518	18,433	(5,738)	2,307	72,324	3,943,928	510	1,427,332	8,177,534
Net profit for the period	-	-	-	-	-	-	-	-	199,550	-	-	199,550
Addition during the year	-	-	-	-	-	1,789	-	(692)	73	158	71,543	72,871
Balance as at 31 December, 2016	254,314	1,565,048	895,558	3,518	18,433	(3,949)	2,307	71,632	4,143,551	668	1,498,875	8,449,955
Balance as at 30 September, 2017	254,314	1,565,048	895,558	3,518	18,433	(1,788)	2,558	(5,801)	5,039,118	(3,844)	1,754,832	9,521,946
Net profit for the period	-	-	-	-	-	-	-	-	433,740	-	-	433,740
Addition during the year	-	-	-	-	-	1,516	-	-	693	(693)	190,968	192,484
Dividend Paid during the year	-	-	-	-	-	-	(345)	-	-	-	-	(345)
Currency Translation Reserve	-	-	-	-	-	-	-	(850)	-	-	-	(850)
Balance as at 31 December, 2017	254,314	1,565,048	895,558	3,518	18,433	(272)	2,213	(6,651)	5,473,551	(4,537)	1,945,800	10,146,975

Rs 000

Company	Issued capital	Share premium	General reserve	Capital Reserve	Capital redemption reserve	Dividend reserve	Other Comprehensive Income	Accumulated Profits	Total
Balance as at 30 September, 2016	254,314	1,565,048	896,718	3,122	18,433	2,307	703	3,375,516	6,116,161
Net profit for the period	-	-	-	-	-	-	-	87,899	87,899
Addition during the year	-	-	-	-	-	-	118	(118)	-
Balance as at 31 December, 2016	254,314	1,565,048	896,718	3,122	18,433	2,307	821	3,463,297	6,204,060
Balance as at 30 September, 2017	254,314	1,565,048	896,718	3,122	18,433	2,558	(2,479)	3,949,963	6,687,677
Net profit for the period	-	-	-	-	-	-	-	170,857	170,857
Addition during the year	-	-	-	-	-	-	(492)	492	-
Dividend Paid during the year	-	-	-	-	-	(345)	-	-	(345)
Balance as at 31 December, 2017	254,314	1,565,048	896,718	3,122	18,433	2,213	(2,971)	4,121,312	6,858,189

- 1(d)(ii) Details of any changes in the Group'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 December 2017	31 March 2017
Total number of issued ordinary shares	14,178,690	18,458,940

- 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 not been audited or reviewed.

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

Not applicable.

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 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, 2017 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.

There is no change in accounting policy.

6. Earning per ordinary share of the Group and 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	
	9 months ended		9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
(a) Based on weighted average number of ordinary shares in issue (Rs)	4.75	2.52	2.56	1.12
Earning per SDS (Rs)	2.38	1.26	1.28	0.56
(b) On a fully diluted basis (detailing any adjustments made to the earnings) (Rs)	4.75	2.52	2.56	1.12
Earning per SDS (Rs.)	2.38	1.26	1.28	0.56
Weighted average number of ordinary shares (Nos.)	254,314,211	254,314,211	254,314,211	254,314,211

7. Net asset value (for the issuer and Company) 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 31.12.2017	As at 31.03.2017	As at 31.12.2017	As at 31.03.2017
Net assets value per ordinary share based on issued share capital at the end of the period / year reported in Rs.	39.90	34.34	26.97	24.90

- 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.

Revenue –Group

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.

Quarter to Quarter:-

Breakdown of Revenue by Product

Products	(Rs. in Millions)			
	Q3 FY 2018	Q3 FY 2017	Increase/ Decrease	%
Pigments	1362.51	1047.74	314.77	30.0
Agrochemicals	1514.86	997.31	517.55	51.9
Basic Chemicals	1450.36	894.22	556.14	62.2
Trading	151.29	226.92	-75.63	-33.3
Total	4479.02	3166.19	1312.83	41.5

Breakdown of Domestic Sales by Product

Domestic Sales	(Rs. in Millions)			
	Q3 FY 2018	Q3 FY 2017	Increase/ Decrease	%
Pigments	181.75	271.00	-89.25	-32.9
Agrochemicals	474.27	363.37	110.90	30.5
Basic Chemicals	1340.61	820.50	520.11	63.4
Trading	0.04	0.14	-0.10	-71.4
Total	1996.67	1455.01	541.66	37.2

Breakdown of Exports Sales by Product

(Rs. in Millions)

Export Sales	Q3 FY 2018	Q3 FY 2017	Increase/ Decrease	%
Pigments	1180.76	776.74	404.02	52.0
Agrochemicals	1040.59	633.94	406.65	64.1
Basic Chemicals	109.75	73.72	36.03	48.9
Trading	151.25	226.78	-75.53	-33.3
Total	2482.35	1711.18	771.17	45.1

Group revenue increased by 41.5% from Rs. 3166.19 million in Q3 FY 2017 to Rs.4479.02 million in Q3 FY 2018. This is on account of increase in Sales of Pigments, Agro Chemicals and Caustic Chlorine.

Increase in domestic sales

Group revenue from domestic sales increased by Rs.541.66 million (i.e. 37.2%) from Rs. 1455.01 million in Q3 FY 2017 to Rs. 1996.67 million in Q3 FY 2018. This is on account of increase in Sales of Agrochemicals and Caustic Chlorine.

Increase in export sales

Group revenue derived from export sales increased by Rs.771.17 million (i.e. 45.1%) from Rs. 1711.18 million in Q3 FY 2017 to Rs. 2482.35 million in Q3 FY 2018. This is on account of increase in Sales of Pigments and Agro Chemicals.

Gross profit Analysis – Group - Quarter to Quarter:-

Breakdown of Gross Profit by Division

(Rs. in Millions)

Division	Q3 FY 2018	GP Margin Q3 FY 2018 (%)	Q3 FY 2017	GP Margin Q3 FY 2017 (%)	Variance	%
Pigments	258.19	18.9	231.01	22.0	27.18	11.8
Agrochemicals	314.41	20.8	118.31	11.9	196.10	165.8
Basic Chemicals	644.86	44.5	291.69	32.6	353.17	121.1
Trading	18.32	12.1	17.84	7.9	0.48	2.7
Total	1235.78	27.6	658.85	20.8	576.93	87.6

Overall, gross profit of the Group increased by Rs. 576.93 million (i.e. 87.6%) from Rs. 658.85 million in Q3 FY 2017 to Rs 1235.78 million in Q3 FY 2018. The gross profit percentage increased from 20.8 % in Q3 FY 2017 to 27.6 % in Q3 FY 2018. The gross profit margin of Pigment decreased from 22.0%, to 18.9%, mainly due to decrease in sales price of Beta Blue and increase in Raw Material cost. of CPC Blue and PG7. While Agrochemical increased marginally from 11.9% to 20.8% mainly due to higher realization of Permethrin, Alpha Cypermethrin and Bifenthrin. The gross profit margin of Caustic Chlorine increased from 32.6%, to 44.5% due to increase in ECU.

Other Operating Income

Other operating income of the Group consists mainly of new incentive Scheme MEIS introduced by the government, Duty Draw Back Scheme, etc, which increased by Rs. 31.34 million to Rs. 89.57 million in Q3 FY 2018. The other income increased due to increase in export incentive under MEIS.

Distribution, Administrative and Other Operating Expenses

Distributions costs of the Group increased by 37.4% to Rs 280.53 million in Q3 FY 2018, due to increase in sales the Export Clearing & Forwarding, Transportation and Discount given to customers.

Administrative costs of the Group increased by 71.3% to Rs 114.11 million in Q3 FY 2018, on account of increase in Insurance premium, Travelling and Directors remuneration.

Other operating expenses increased by Rs.21.37 million in Q3 FY 2018 mainly due to foreign exchange fluctuations.

Finance costs

Finance costs in Q3 FY 2018 decreased by Rs. 18.30 million (i.e. 14.3%) on account of repayment of term loan and decrease in interest rate of working capital loan.

Income from Investments :-

During the quarter Income from investments is Rs. 0.001 million.

Taxation

Income tax increased by Rs. 126.40 million i.e. from Rs. 91.52 million in Q3 FY 2017 to Rs. 217.92 million in Q3 FY 2018, due to increase in profit of Meghmani Organics Limited and Meghmani Finechem Limited.

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 Basic Chemicals 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.
6. Meghmani Agrochemicals Private Limited is a 100% wholly owned subsidiary of the Company.

SGX Rule 716

As per Rule 716, we declare that no one of the above Subsidiaries are 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 recognized in profit or loss

Group Revenue Analysis :- Nine Months to Nine Months:-

Breakdown of Revenue by Product

(Rs. in Millions)

Division	9 months FY 2018 Actual	9 months FY 2017 Actual	Variance	%
	Rs.	Rs.	Rs.	
Pigments	3979.25	3444.72	534.53	15.5
Agrochemicals	4984.81	3777.99	1206.82	31.9
Basic Chemicals	3836.82	2697.86	1138.96	42.2
Trading	469.86	627.18	-157.32	-25.1
Total	13270.74	10547.75	2722.99	25.8

Division wise Domestic Sales

(Rs. in Millions)

Particulars	9 months FY 2018 Actual	9 months FY 2017 Actual	Variance	%
	Rs.	Rs.	Rs.	
Pigment	791.53	1151.75	-360.22	-31.3
Agrochemicals	1825.47	1507.26	318.21	21.1
Basic Chemicals	3616.97	2553.53	1063.44	41.6
Trading	0.33	7.42	-7.09	-95.6
Total	6234.30	5219.96	1014.34	19.4

Division wise Export Sales

(Rs. in Millions)

Particulars	9 months FY 2018 Actual	9 months FY 2017 Actual	Variance	%
	Rs.	Rs.	Rs.	
Pigment	3187.72	2292.97	894.75	39.0
Agrochemicals	3159.34	2270.73	888.61	39.1
Basic Chemicals	219.85	144.33	75.52	52.3
Trading	469.53	619.76	-150.23	-24.2
Total	7036.44	5327.79	1708.65	32.1

Group revenue for 9 months FY 2018 increased by Rs.2722.99 million (i.e. 25.8%) i.e. from Rs. 10547.75 million in 9 Months FY 2017 to Rs. 13270.74 million in 9 Months FY 2018 on account of increase in Pigments, Agro Chemicals and Basic Chemicals.

Increase in domestic sales

Group revenue of domestic sales has increased by Rs.1014.34 million (i.e. 19.4%) i.e. from Rs 5219.96 million in 9 Months FY 2017 to Rs 6234.30 million in 9 Months FY 2018. This is due to increase in sales of Agro Chemicals and Basic Chemicals.

Increase in export sales

Group revenue derived from export sales increased by Rs. 1708.65 million (i.e. 32.1%) from to Rs. 5327.79 million in 9 Months FY 2017 to Rs. 7036.44 million in 9 Months FY 2018. This is due to increase in sales of Pigment and Agrochemicals.

Group Gross Profit Analysis :- Nine Months to Nine Months:-

Breakdown of Gross Profit by Division

Division	9 months FY 2018	GP Margin 9 months FY 2018 (%)	9 months FY 2017	GP Margin 9 months FY 2017 (%)	(Rs. in Millions)	
					Increase/ Decrease	%
Pigments	751.84	18.9	669.97	19.4	81.87	12.2
Agrochemicals	1252.17	25.1	576.85	15.3	675.32	117.1
Basic Chemicals	1544.36	40.3	847.99	31.4	696.37	82.1
Trading	34.98	7.4	57.08	9.1	-22.10	-38.7
Total	3583.35	27.0	2151.89	20.4	1431.46	66.5

Group gross profit for 9 Months FY 2018 increased by Rs. 1431.46 million (i.e. 66.5%) from Rs 2151.89 million in 9 Months FY 2017 to Rs 3583.35 million in 9 Months FY 2018. The main Contributories are Agrochemicals and Basic Chemicals.

The gross profit margin of Pigment decreased from 19.4%, to 18.9%, mainly due to decrease in sales price of Beta Blue and increase in Raw Material cost. of CPC Blue and PG7. While Agrochemical increased marginally from 15.3% to 25.1% mainly due to higher realization of Peremethrin, Alpha Cypermethrin and Bifenthrine. The gross profit margin of Basic Chemicals increased from 31.4%, to 40.3% due to increase in ECU.

Other Operating Income

Other operating income of the Group consists mainly of new incentive Scheme MEIS introduced by the government and duty drawback etc. has increased by 29.3% to Rs. 237.54 million in 9 Months FY 2018. The other income increased due to increase in export incentive under MEIS.

Distribution, Administrative and Other Operating Expenses

Distribution expenses of the Group for 9 Months FY 2018 increased by 44.5% i.e. to Rs. 910.19 million, due to increase in sales the Export Clearing & Forwarding, Transportation and Packing Material Consumption Cost increase.

Administrative expenses for 9 Months FY 2018 increased by Rs. 136.78 million from Rs. 213.85 million in 9 Months FY 2017 to Rs.350.63 million in 9 Months FY 2018, due to on account of increase in Insurance premium, Donation and Directors remuneration.

Other operating expenses of the Group for 9 Months FY 2018 decreased by Rs. 69.31 million mainly due to foreign currency exchange adjustment.

Finance costs

Finance costs of the Group for 9 Months FY 2018 decreased by Rs..85.15 million (or 21.1%). mainly due to repayment of term loan and decrease in interest rate of working capital loan.

Balance sheet

Trade receivables

Trade receivables of Group increased by Rs. 825.15 million from to Rs. 3309.10 million in FY 2017 to Rs. 4134.25 million in 9 Months FY 2018 due to increase in sales.

Trade receivables at Company level increased by Rs. 632.73 million from Rs. 2977.66 million in FY 2017 to Rs. 3610.39 million in 9 Months FY 2018.

Other receivables & Prepayments

During 9 Months period FY 2018, other receivables & prepayments at Group level increased by Rs. 367.19 million (or 24.7%), and Company level increased by Rs. 295.78 million (or 22.4%) .This is due to implementation of GST (Goods and Service Tax) in India and increase in down payment to vendors.

Inventories

The Inventories at Group level increased by Rs. 39.44 million i.e. from Rs. 2416.81 million in at FY 2017 to Rs. 2456.25 million in at 9 Months FY 2018 and Inventories at Company level increased by Rs. 34.49 million from Rs. 2090.36 million in at FY 2017 to Rs. 2124.85 million in at 9 Months FY 2018.

Property, plant and equipment

Fixed assets at 9 Months FY 2018 at Group level increased by Rs. 445.65 million and at Company level increased by Rs. 547.16 million respectively. The Group installed Wind Mill Power Projected in Panoli, Ankleshwar and Dahej Agro – III.

Bank Borrowings and Long Term Loan

Bank borrowings at 9 Months FY 2018 at Group level decreased by Rs. 2.08 million on account of Payment of Term Loan Installment and decrease in working capital utilization and at Company level increased by Rs. 3.34 million due to higher utilization on account of increase in operation.

Trade payables

Trade payables at 9 Months FY 2018 at Group and Company level increased by Rs.437.12 million and Rs. 314.83 million respectively.

Other payable

Other payable at 9 Months FY 2018 at Group and Company level increased by Rs. 288.87 million and at Company level increased by Rs. 91.48 million respectively.

Cash flow statement

At 9 Months FY 2018 period, the Group has generated a positive net cash flow of **Rs. 1789.81 million**.

Financial Analysis**Rs. in millions**

Group Key Financial Highlights	As at 31.12.2017	As at 31.12.2016	Variance	Variance (%)
<u>Profitability</u>				
Sales	13270.74	10547.75	2722.99	25.8
Gross Profit	3583.35	2151.89	1431.46	66.5
Gross Profit Margin (%)	27.0	20.4	6.6	32.3
Profit before tax	2260.80	1176.71	1084.09	92.1
Profit before tax Margin (%)	17.0	11.2	5.8	51.8
Net profit	1209.18	640.03	569.15	88.9
Net profit Margin (%)	9.1	6.1	3.0	49.2
Earning per Share (EPS in Rs.)	4.75	2.52	2.23	88.5
<u>Financial position</u>				
Net tangible assets	10146.98	8449.96	1697.02	20.1
Debt (short term +long term)	4416.13	4802.00	-385.87	-8.0
Capital Gearing ratio	0.44	0.57	-0.13	-22.8
Net tangible assets per share	32.25	27.33	4.92	18.0
Stock turnover (days)	70	83	-13	-15.7
Trade debts turnover (days)	86	118	-32	-27.1

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 Group operates and any known factors or events that may affect the Group 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 is the largest application segment of organic pigments 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 others Eastern 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: Ceresana.)

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 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.

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.

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). 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 Q4 FY 2018.

Market Price

The global markets for Pigment and Agrochemical products are improving, while Basic Chemicals ECU have already been improved.

Profitability

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 Basic Chemicals.

11. **Dividend**

(a) **Current financial period reported on 31.12.2017**

Any dividend for the current financial period reported on? No

(b) **Corresponding Period of the Immediately Preceding Financial Year:** No

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

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

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

No dividend for the period 31.12.2017 has been declared/ 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.**

Interested Person Transactions:

Particulars of interested person transactions for the month ended 31 December 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 4,720,000) 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 4,798,000))	
	Amount in Rs.	Amount in S\$,000	Amount in Rs.	Amount in S\$,000
Purchases				
Meghmani Pigments ⁽¹⁾	95628152	2026	-	-
Vidhi Global Chemicals Ltd. ⁽³⁾	77752509	1647	-	-
Meghmani LLP ⁽⁵⁾	18906457	401	-	-
Panchratna Corporation ⁽⁸⁾	12004200	254		
Meghmani Industries Ltd. ⁽⁷⁾	5363404	114		
Sales				
Ashish Chemicals (EOU) ⁽⁴⁾	27116258	574	-	-
Vidhi Global Chemicals Ltd. ⁽³⁾	68724821	1456	-	-
Meghmani Dyes & Intermediate LLP ⁽⁹⁾	6925292	147	-	-
Meghmani Industries Ltd - Sez Unit	9687600	205		

Note – Rs. 47.20 = \$1 (Average Rate of 31.12.2017)

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

⁽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.
- (7) Meghmani Industries Limited is a limited company with 48% of Equity Shares of are held directly by Mr Natwarlal Patel (Managing Director), and Mr Ramesh Patel (Executive Director).
- (8) PanchratnaCorporation is a partnership firm owned by immediate family of Mr Jayanti Patel (Executive Chairman) and Mr Ashish Soparkar and Mr. Natwarlal Patel (Managing Directors), Mr. Ramesh Patel and Mr.Anand Patel Executive Directors of the Company.
- (9) Meghmani Dyes and Intermediates LLP. is a Partnership Firm with 44.33% owned by Mr. Natwarlal Patel (Managing Director), Mr Ramesh Patel and Mr.Anand Patel (Executive Directors) of the Company.

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 26 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 Third quarter ended **31 December, 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

Meghmani Organics Limited 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.

16. Reconciliation between INDAS and IFRS

Ernst & Young – Singapore has been appointed as Joint Auditor for Financial Year 2017-18 to comply with the requirements of SGX Listing rules. The Company has not considered the variance in the profit reported under the quarter ended 31st December, 2018.

BY ORDER OF THE BOARD
MEGHMANI ORGANICS LIMITED
K D Mehta
Company Secretary
Date: 14/02/2018