



MEGHMANI ORGANICS LIMITED

(Incorporated as a limited liability company in India)

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RESPONSE TO SGX QUERIES ON FULL YEAR RESULTS FOR THE PERIOD ENDED 31 MARCH 2018

The Board of Directors of Meghmani Organics Limited (the "Company") wishes to announce its response to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 13 June 2018 relating to the Company's full Year Results for the period ended 31 March 2018:-

Query 1

Please provide a breakdown of the Administrative expenses and explain for the variance for each component against the previous reporting period.

Response to Query 1

ADMINISTRATIVE EXPENSES	2017-18	2016-17	Variance
	Rs.	Rs.	Rs.
Rent , rates & taxes	3,28,69,129	3,45,84,235	(17,15,106)
Travelling expenditures	2,98,98,466	2,08,00,841	90,97,625
Postage and telephone	1,03,12,247	1,12,04,007	(8,91,760)
Insurance premium	7,60,19,910	2,80,57,303	4,79,62,607
Stationery & printing expenses	61,88,123	71,12,698	(9,24,575)
Legal & Professional Fees	7,91,06,332	5,06,65,843	2,84,40,489
Advertisement expenses	43,63,724	37,20,283	6,43,441
Audit fees	43,94,256	38,32,072	5,62,184
Donations	3,57,49,042	1,01,90,573	2,55,58,469
Repairs & maintenance to others	31,21,506	23,74,719	7,46,787
Directors remuneration	33,17,06,543	4,36,38,290	28,80,68,253
Directors sitting fees	19,50,000	16,90,000	2,60,000
Vehicle expenses	1,68,74,619	1,47,75,543	20,99,076
Stock exchange expenses	1,00,69,127	82,11,721	18,57,406
Software expenses	83,94,966	50,86,241	33,08,725
Other expenses	4,69,59,075	4,05,38,038	64,21,037
Total	69,79,77,065	28,64,82,407	41,14,94,658

Major Variance:-

1. A Insurance Premium increased because of loading of extra premium by insurance company on account of settlement of insurance claim.
2. Increase in remuneration is because of payment of remuneration to working Directors by Meghmani Finechem Limited (Subsidiary) and provision for payment of performance bonus to directors of Meghmani Finechem Limited and Meghmani Organics Limited.

Query 2

Please provide a breakdown of the Distribution expenses and the Company's policy on quantity rebates for customers.

Response to Query 2

SELLING AND DISTRIBUTION EXPENSES	2017-18	2016-17	Variance
	Rs.	Rs.	Rs.
Export Clearing & Forwarding Expenses	6,93,79,015	4,74,23,466	2,19,55,549
Transportation Expenses	29,43,73,715	19,83,52,043	9,60,21,672
Marine Insurance	54,91,578	46,77,693	8,13,885
Sales Commission	9,17,79,426	9,06,79,504	10,99,922
Business promotion Expenses	1,85,83,449	1,09,00,469	76,82,980
Packing Material Consumption	37,42,00,971	30,99,23,200	6,42,77,771
Other Selling Expenses	50,67,85,964	16,92,70,636	33,75,15,328
Total	1,36,05,94,118	83,12,27,011	52,93,67,107

Major Variance:-

1. Export Clearing & Forwarding Expenses, Transportation Expenses and Packing Material Expenses have been increased in correspond to increase in sales.
2. Other Selling Expenses have increased mainly due to :-

Other Selling Expenses	2017-18	2016-17	Variance
	Rs.	Rs.	Rs.
Loading / Unloading Charges – Depot*	22,74,91,784	-	22,74,91,784
Quantity Rebate To Customer - Domestic	12,96,35,826	4,15,08,003	8,81,27,823
Cash Discount To Customer	3,89,06,802	2,51,42,252	1,37,64,550
Quantity Rebate To Customer - Export	3,86,49,227	2,84,32,705	1,02,16,522

* Loading Unloading Lifting Charges relates to sale of Chlorine (in cylinders) by Meghmani Finechem Limited (Subsidiary). Earlier, we used to net of the charges as it realisation of Chlorine was not substantial.

Query 3

Please disclose the underlying security name(s) of the financial assets classified under Available for sale investments and disclose the reasons for the significant increase in value from Rs285 million to Rs714 million for the current reporting period.

Response to Query 3

Particular	2017-18	2016-17
	Rs.	Rs.
Birla Sun Life Cash Manager	-	1,89,83,521
Birla Sun Life Short Term OPP. Fund	-	11,09,70,330
Kotak Equity Arbitrage Fund	31,47,35,411	-
Edelweiss Arbitrage Fund	39,94,45,151	-
Birla Sun Life Cash PlusFund	-	3,52,33,245
SBI Magnum Insta cash Fund	-	2,00,82,927
Total	71,41,80,562	8,52,70,023

Query 4

Please confirm if there are any material differences between the accounting standards prescribed under India GAAP versus IFRS. If any, please explain and quantify the impact on the Group's accounts.

Response to Query 4

There are no material differences under India GAAP versus IFRS.

Query 5

Please explain the significant increment of 80.8% in the Long term loan from Rs1.21 billion to Rs2.18 billion for the current reporting period; and to disclose the identity of the creditors which the long term loan is owed to.

Response to Query 5

The Loan has been taken from ICICI bank Limited. The loan was taken to finance capex of three windmills and refinance high cost working capital borrowing.

By Order of the Board



Kamlesh Dinkerray Mehta
Company Secretary
18 June 2018