



# MEGHMANI ORGANICS LIMITED

(Incorporated as a limited liability company in India)

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## RESPONSE TO SGX QUERIES ON THIRD QUARTER RESULTS ENDED ON 31 DECEMBER 2016

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 16 March 2017 relating to the Company's third quarter results ended 31 December 2016:

### Query 1

*The Company recorded an Other Operating Expense of a positive value of Rs.37,999,000 for the 3 months ended 31 December 2016. Please disclose the nature of this expense and why this is a credit amount.*

### Response to Query 1

The Company has recorded a positive value of Rs. 37,999,000/- due to Foreign Exchange Gain of Rs. 50,760,000/- due to favourable Rupee/Dollar rate.

The details of the above has already been given in Part I – 1 (a) (ii)

Particulars	Rs. '000
Foreign Currency Exchange Adjustment - Gain	50769
Profit on Sale of Property	356
Sub Total	51125
Less :-	
Bad Debts Receivable written off	13126
Balance Other Operating Expenses	37999

### Query 2

*The Company recorded a Foreign Currency Exchange Adjustment Gain of Rs.50.8 million for the 3 month ended 31 December 2016 from Rs. 16.8 million. Please disclose the reason for the significant increase in Foreign Currency Exchange Adjustment Gain.*

## **Response to Query 2**

The Reasons for significant increase in Foreign Exchange Adjustment Gain is as under:-

<b>Exchange rate difference - Bifurcation</b>	<b>Q3 16-17</b>	<b>Q3 15-16</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Payable (Imported Material and outstanding payable )	-1,936.91	485.28
Receivable (Export Sales and outstanding receivable)	73,054.26	26,824.32
Subsidiary Loan & Others	1,429.74	3,415.04
EEFC (Export Earning in Foreign Currency)	-	0.57
ECB (External Commercial Borrowing)	-8,587.43	-24,597.48
Un-realised Loss/(Gain) on Forward Contract-Export	-13,191.15	10,629.95
Total	50,768.51	16,757.68

## **Query 3**

*With regards to the Interested Person Transactions disclosed in the Financial Results, please disclose the exact shareholding interest held by each Director in the entities and for each of the interested persons, please advise whether the Company has complied with Listing Rules 905 and/or Rule 906, where applicable:*

- a. *Meghmani Pigments*
- b. *Meghmani Finechem Limited*
- c. *Vidhi Global Chemicals Ltd*
- d. *Ashish Chemicals (EOU)*
- e. *Meghmani LLP*
- f. *Matangi Industries*
- g. *Meghmani Industries Limited*
- h. *Panchratna Corporation*
- i. *Meghmani Dyes and Intermediates Ltd.*

## **Response to Query 3**

**Shareholding interest held by each Director in the entities and for each of the interested persons:-**

<b>Name of Interested Person</b>	<b>Name of the Directors / Partners</b>	<b>Relationship</b>	<b>% Shareholding</b>
Meghmani Pigments partnership firm	Mr. Jayanti Patel	Executive Chairman of the Company	10
	Mr. Ashish Soparkar	MD & CEO of the Company	10
	Ms. Nayana Soparkar	Wife of Mr. Ashish Soparkar, MD & CEO of the Company	15
	Ms. Tara Patel	Wife of Mr. Jayanti Patel, Executive Chairman of the Company	15
	Mr. Kaushal Soparkar	Son of Mr. Ashish Soparkar, MD & CEO of the Company	25

	Mr. Maulik Patel	Son of Mr. Jayanti Patel, Executive Chairman of the Company	25
		<b>Total</b>	<b>100</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Vidhi Global Chemicals Ltd.	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, MD of the Company	10
	Ms. Disha Patel	Daughter of Natwarlal Mr. Patel, MD of the Company	10
	Ms. Kruti Patel	Daughter of Mr. Jayanti Patel, Executive Chairman of the Company	10
	Ms. Deval Soparkar	Daughter of Mr. Ashish Soparkar, MD & CEO of the Company	20
	Ms. Vaishakhi Patel	Daughter of Mr. Ramesh Patel, ED of the Company	12
	Mr. Darshan Patel	Son of Mr. Anand Patel, ED of the Company	8
		<b>Total</b>	<b>70</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Ashish Chemicals (EOU) (Partnership firm)	Mr. Jayanti Patel	Executive Chairman of the Company	50
	Mr. Ashish Soparkar	MD & CEO of the Company	50
		<b>Total</b>	<b>100</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Meghmani LLP	Mr. Maulik Patel	Son of Mr. Jayanti Patel, Executive Chairman of the Company	50
	Mr. Kaushal Soparkar	Son of Mr. Ashish Soparkar, MD and CEO of the Company	50
		<b>Total</b>	<b>100</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Meghmani Dyes and Intermediates LLP	Mr. Natwarlal Patel	MD of the Company	19.80
	Mr. Ramesh Patel	ED of the Company	19.42
	Mr. Anand Patel	ED of the Company	5.11
	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, MD of the Company	10.20
		<b>Total</b>	<b>54.53</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Matangi Industries (Partnership firm)	Mr. Anand Patel	ED of the Company	5
	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, MD of the Company	12
	Mr. Maulik Patel	Son of Mr. Jayanti Patel, Executive Chairman of the Company	12
	Mr. Karana Patel	Son of Mr. Ramesh Patel, E D of the Company	7
	Mr. Kaushal Soparkar	Son of Mr. Ashish Soparkar, MD & CEO of the Company	12
<b>Total</b>			<b>50</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Meghmani Industries Ltd	Mr. Natwarlal Patel	MD of the Company	19.94
	Mr. Ramesh Patel	ED of the Company	17.56
	Ms. Bharati Patel	Wife of Mr. Natwarlal Patel, MD of the Company	4.72
	Ms. Kalpana Patel	Wife of Mr. Ramesh Patel, ED of the Company	0.17
	Ms. Disha Patel	Daughter of Mr. Natwarlal Patel, MD of the Company	0.56
	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, MD of the Company	4.78
	Mr. Karan Patel	Son of Mr. Ramesh Patel, ED of the Company	1.83
	Ms. Vaishakhi Patel	Daughter of Mr. Ramesh Patel, ED of the Company	0.44
<b>Total</b>			<b>50.00</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Meghmani Finechem Limited <b>(A Subsidiary of Meghmani Organics Limited)</b>	Meghmani Organics Limited	Holding Company	57.16
	IFC Washington DC-USA		24.97
	Promoters of Meghmani Organics Limited		17.87
<b>Total</b>			<b>100.00</b>

Name of Interested Person	Name of the Directors / Partners	Relationship	% Shareholding
Pancharatna Corporation	Mr. Maulik Patel	Son of Mr. Jayanti Patel, Executive Chairman of the Company	12.50
	Ms. Tara Patel	Wife of Mr. Jayanti Patel, Executive Chairman of the Company	12.50
	Mr. Ashish Soparkar	MD & CEO of the Company	12.50
	Mr. Kaushal Soparkar	Son of Mr. Ashish Soparkar, MD & CEO of the Company	12.50
	Mr. Ankit Patel	Son of Mr. Natwarlal Patel, MD of the Company	12.50
	Ms. Bharati Patel	Wife of Mr. Natwarlal Patel, MD of the Company	12.50
	Mr. Karan Patel	Son of Mr. Ramesh Patel, ED of the Company	6.00
	Ms. Kalpana Patel	Wife of Mr. Ramesh Patel, ED of the Company	9.00
	Mr. Darshan Patel	Son of Mr. Anand Patel, ED of the Company	2.50
	Mr. Chintan Patel	Son of Mr. Anand Patel, ED of the Company	2.5
	Ms. Nayna Patel	Wife of Mr. Anand Patel, ED of the Company	5.00
		<b>Total</b>	<b>100.00</b>

**Interested Person Transaction (IPT) for the period of 01.04.2016 to 31.12.2016**

NO.	Name of Related Parties	Total	% of NTA	Remarks
1	Meghmani Pigments	91,912,658	1.07%	Approval Not required
2	Vidhi Global Chemicals Limited	188,416,366	2.19%	Approval Not required
3	Matangi Industries	6,432,484	0.07%	Approval Not required
4	Meghmani Llp	30,064,212	0.35%	Approval Not required
5	Pancharatna Corporation	9,633,000	0.11%	Approval Not required
6	Ashish Chemicals EOU	23,429,759	0.27%	Approval Not required
7	Meghmani Industries Ltd.	10,668,564	0.12%	Approval Not required
8	Meghmani Dyes & Inter. Ltd.	6,536,367	0.08%	Approval Not required
	<b>Grand Total</b>	<b>657,055,152</b>	<b>7.64%</b>	
	Net Tangible Assets		8589000000	

*Note: For Meghmani Industries Ltd, we note that the value for the IPTs for the month ended 31 December 2015 amounted to Rs 440,510,477 while the audited value for the IPTs for financial year ended March 2016 amounted to Rs 14,637,312. The figure of 31 December 2015 amounting to Rs 440,510,477 is of Meghmani Organics USA Inc (Wholly owned Subsidiary) while figure of Rs. 14,637,312 pertains to Meghmani Industries Ltd. **We regret for the error.***

The Company has obtained approval of the shareholders at the AGM held on 28 July 2014 and 26 July 2016 for the arrangement of Purchase and Sales of Pigment and Agrochemicals with Related Parties Transactions which would include the IPT for a period of three years under the Indian Companies Act, 2013. The Company has complied with Rule 906 of the Listing Manual.

By Order of the Board

Kamlesh Dinkerray Mehta  
Company Secretary  
24 March 2017