

DIRECTORS' REPORT

To,
The Members,
PT Meghmani Organics Indonesia,

Your Directors have pleasure in presenting Fourth Audited Financial Statement of the Company for the Financial Year ended on 31st March 2013.

The Company is the Wholly Owned Subsidiary of Meghmani Organics Limited. The Company is engaged in the Trading Activities at Indonesia. The operations are looked after by the residential representative.

The Company has registered a net loss of Rs. **2,24,51,952** Previous year loss of Rs. **36,79,282**.

Place: Ahmedabad
Date: 10 June , 2013

for and on behalf of the Board

Sd/
(N.M.patel)
Director

Report No. MMC-0613-038

Re : Financial statements report years ended March 31, 2013 and 2012

The Shareholders, Boards of Commissioners and Directors

PT. Meghmani Organics Indonesia

Jakarta

We have reviewed the balance sheets of PT. Meghmani Organics Indonesia (the "Company") as of March 31, 2013 and 2012, and the related statements of income and changes in stockholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our reviewed.

We conducted our reviewed in accordance with accounting standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the reviewed to obtain reasonable assurance whether the financial statements are free of material misstatement. An accounting examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our reviewed also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our reviewed provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PT. Meghmani Organics Indonesia as of March 31, 2013 and 2012, and the results of its operations and its changes in stockholders' equity for the years then ended in conformity with Indonesian Accounting Standards for Non Publicly Accountable Entities.

Our reviewed were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The 2012 supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the accounting procedures applied in our reviewed of the 2012-2013 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2012-2013 basic financial statements taken as a whole.

MMC Consulting



Date : June 10, 2013

Notice to Readers :

The accompanying financial statements are not intended to present the financial position, results of operations and changes in stockholders' equity in accordance with accounting principles and practices generally accepted in Indonesia and not those of any other jurisdiction. The standards, procedures and practices to reviewed such financial statements are those generally accepted and applied in Indonesia.

PT. MEGHMANI ORGANICS INDONESIA

BALANCE SHEET

March 31, 2013 and 2012

(Expressed in IDR Currency)

Description	31 March 2013	31 March 2012
ASSETS		
CURRENT ASSETS		
Cash & Equivalent Cash	1,200,072	27,768,580
Bank	231,330,820	143,025,763
Accounts Receivable	1,643,456,717	6,634,437,807
Inventory	2,000,858,845	1,651,291,131
Deposits	33,094,000	33,094,000
Prepaid Expense	141,690,401	275,146,874
Prepaid Tax	41,136,732	-
Total Current Assets	4,092,767,587	8,764,764,155
NON-CURRENT ASSETS	1,004,142,769	1,247,977,967
Net off Accumulated Depreciation		
TOTAL ASSETS	5,096,910,356	10,012,742,122
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	2,804,499,770	3,966,067,256
Tax Payable	6,824,713	105,009,532
Ramanath M. Liabilities	-	-
Others Liabilities	35,307,000	102,441,918
Total Current Liabilities	2,846,631,483	4,173,518,706
LONGTERM LIABILITIES		
Leasing Payable	66,735,095	241,920,456
Liabilities - MOL India	6,015,885,864	5,622,997,676
Total Longterm Liabilities	6,082,620,959	5,864,918,132
TOTAL LIABILITIES	8,929,252,442	10,038,436,838
STOCKHOLDERS' EQUITY		
EQUITY		
- Meghmani Organics Limited	2,261,407,500	2,261,407,500
- Patel Natwartal	22,842,500	22,842,500
Retained Earning	(2,309,944,716)	(1,668,027,672)
Current Earning of This Year	(3,806,647,370)	(641,917,044)
TOTAL STOCKHOLDERS' EQUITY	(3,832,342,086)	(25,694,716)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,096,910,356	10,012,742,122

PT. MEGHMANI ORGANICS INDONESIA
PROFIT AND LOSS STATEMENT
For The Years Ended March 31, 2013 and 2012
(Expressed in IDR Currency)

Description	31 March 2013	31 March 2012
SALES REVENUE - NET	1,246,330,147	8,537,035,592
COST OF GOOD SOLD	1,181,954,186	4,431,799,020
GROSS PROFIT	64,375,961	4,105,236,572
OPERATING EXPENSES		
- Selling Expenses	1,556,469,136	2,434,976,895
- General Office Expenses	1,602,672,804	1,691,314,796
Total Operating Expenses	3,159,141,940	4,126,291,692
PROFIT (LOSS) FROM OPERATION	(3,094,765,979)	(21,055,120)
OTHER INCOME (EXPENSE)		
- Other Income	(561,707,026)	(489,419,094)
- Other Expense	(150,174,366)	(131,442,829)
Total Other Income (Expense) - Net	(711,881,392)	(620,861,924)
PROFIT (LOSS) BEFORE TAX	(3,806,647,370)	(641,917,044)
CORPORATE INCOME TAX	-	-
PROFIT (LOSS) AFTER TAX	(3,806,647,370)	(641,917,044)

Balance Sheet as at 31.03.2012	31.03.2013		31.03.2012	
Share Capital				
Issued &Subcribed Cap.		12,330,000		12,330,000
Reserve & Surplus				
Profit & Loss A/c.	(11,207,067)		(7,527,785)	
Add /Less Current year	(22,451,952)	(33,659,019)	(3,679,282)	(11,207,067)
Translation Reserve		(99,162)		1,025,613
Secured Loans				
Loans (hypo of Vehicles)		372,048		1,439,427
Unsecured Loans				
Meghmani Organics Ltd., India		33,601,438		31,155,407
Total Liabilites		12,545,305		34,743,379
Fixed Assets				
Gross Block	10,943,637		11,641,111	
Less: Accumulated Depreciation	5,345,541		4,215,642	
Net Block	5,598,096	5,598,096	7,425,469	7,425,469
Current Assets				
Cash on Hand & Bank Bal.				
- Petty Cash	6,690		165,223	
- Cash				
- BCA Rp. 5820230304	363,327		164,886	
HSBC 050-106806-115	490,027		98,755	
BRI-0320-01-000426-30.9	436,315		587,363	
Invenotry-	11,154,788		9,825,182	
Sundry Debtors	9,162,271		39,474,905	
Building Deposit	139,375		148,750	
Warehouse-Deposit	100,874		107,659	
Prepaid Expenses	9,139		20,858	
Employee Recoverable Exp.	143,033		321,039	
Other Current Assets- adv,rent	582,002		1,235,727	
VAT -Paid	229,337			
Total Current Assets	22,817,180		52,150,347	
Current Liabilites				
Creditors	15,635,086		23,598,100	
Other Current Liabilities				
VAT Collected			582,352	
- PPh 21	34,874		39,504	
- PPh 23	3,173		2,951	
Ramanath M. Liabilities			42,368	
Others Liabilities	24,530		567,161	
Salary payable	172,307			
Total Current Liabilities	15,869,971		24,832,436	
Net Current Assets		6,947,209		27,317,910
Total Assets		12,545,305		34,743,379

PT.Meghmani Organics Indonesia

Profit & Loss Account for the Year ended on 31.03.2013

Amount in INR

Particulars	01.04.12 to 31.03.2013	01.04.11 to 31.03.2012
Sales	7,379,313	47,682,901
Total Income	7,379,313	47,682,901
Cost of Goods Sold	6,998,154	24,753,444
(Increase) / Decrease in Stock		
Stock Reserve		
Total	6,998,154	24,753,444
Gross Profit	381,159	22,929,457
Administration Expenses	7,897,383	7,752,251
Selling & Distribution Expenses	9,325,206	13,856,140
Financial Expenses	889,157	734,163
Depreciation	1,395,591	1,532,575
Other Income	3,325,774	2,733,610
Total Expenses	22,833,111	26,608,739
Net Profit	(22,451,952)	(3,679,282)

Grouping of Profit & Loss Account		
Particulars	01.04.12 to 31.03.2013	01.04.11 to 31.03.2012
Total Income		
Sales	16,938,731	58,822,846
Sales - Goods in Transport		
Less Sales Return	(5,435,898)	(8,934,150)
Less Sales Discount	(4,123,520)	(2,205,795)
Total Sales	7,379,313	47,682,901
Other Income / Expenses		
- Interest Income	31,549	8,496
Other Income		11,206
Realised Exchange gain	(154,434)	100,319
Unrealised Exchange gain	(3,202,889)	(2,853,631)
Total Other Income / Expenses	(3,357,323)	(2,733,610)
Cost of Goods Sold		
Purchase Expenses / COGS	6,998,154	24,753,444
Total	6,998,154	24,753,444
Administration Expenses		
Employee Expenses		
- Salaries	5,412,799	5,796,699
Jamsostek Expenses	32,833	9,257
Apartment Rent	609,000	425,888
Building Expenses		
- Rent Building	476,956	359,432
- Electricity	166,713	115,001
- Telephone	339,651	336,348
Operational Expenses		
- Office Stationary	38,911	96,515
- Office Supplies	205,967	148,965
- Transportation	225,299	32,154
Office /Pantry Exp.	31,811	61,712
Consultant Fee's	307,883	321,812
Notary Fees		1,676
Computer Maintenance	12,605	20,984
Post & Materai-	16,922	25,809
Tax Expenses	20,033	
Total	7,897,383	7,752,251
Selling & Distribution Expenses		
Marketing Expenses	6,740,048	8,896,155
warehouse	293,508	133,845
Vehicle Maintenance	44,536	161,396
Licences of Vehicle	65,076	94,383
Repacking Expenses	515,432	946,820
Out Ward Expedition	1,666,607	3,623,540
Total	9,325,206	13,856,140
Finance Expenses		
Bank Charges	74,773	46,410
Interest Expense-MOL India	364,051	234,293
Interest on Car Lease	450,305	453,218
Tax Payments	29	241
Total	889,157	734,163
Depreciation		
Furniture	34,216	51,434
Computer	70,622	107,151
Office Equipment	33,706	36,842
Vehicle	686,826	733,025
Amortization Expense of Product Registration	570,221	604,123
Total	1,395,591	1,532,575

PT.Meghmani Organics Indonesia

As On 31.03.13

Particulars	Gross Block				Depreciation				Net Block
	Opening	Addition	Deletion	Closing	Op Dep	Addition	Deletion	Cl. Dep	31.03.2013
Furniture	276,395	-	-	276,395	134,149	34,216		168,365	108,030
Computer	414,041	3,218		416,800	280,823	70,622		351,445	65,355
Office Equipment	177,335	-		177,335	74,170	33,706		107,876	69,459
Vehicle	5,494,610	-		5,494,610	1,869,373	686,826		2,556,199	2,938,411
Product Reg.	4,545,046	39,000		4,578,496	1,591,434	570,221		2,161,656	2,416,841
Land	-	-		-			-	-	-
Total	10,907,428	42,218	-	10,943,637	3,949,950	1,395,591	-	5,345,541	5,598,096