

Full year Financial Statement And Dividend Announcement for the Year Ended 31 March 2011

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, 2011 as follows:-

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**1(a) 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		%
	31.03.2011	31.03.2010	Increase / (Decrease)	31.03.2011	31.03.2010	Increase / (Decrease)
	Rs. ‘000	Rs. ‘000		Rs. ‘000	Rs. ‘000	Rs. ‘000
Revenue	10,246,738	8,162,724	25.5	8,446,989	7,292,185	15.8
Cost of sales	(8,742,089)	(6,885,206)	27.0	(7,167,274)	(5,966,843)	20.1
Gross Profit	1,504,649	1,277,518	17.8	1,279,715	1,325,342	-3.4
Other operating income	221,433	226,912	-2.4	211,338	228,733	-7.6
Distribution expenses	(654,784)	(523,487)	25.1	(585,452)	(504,175)	16.1
Administrative expenses	(245,707)	(232,507)	5.7	(204,352)	(186,047)	9.8
Other operating expenses	84,814	151,816	-44.1	83,123	109,111	-23.8
Profit from operations	910,405	900,252	1.1	784,372	972,964	-19.4
Finance cost	(579,227)	(418,712)	38.3	(194,296)	(136,011)	42.9
Income from investments	10,346	346	n.m.	10,346	331	n.m.
Profit before tax	341,524	481,886	-29.1	600,422	837,284	-28.3
Income tax	(43,643)	(85,632)	-49.0	(128,615)	(221,482)	-41.9
Profit after income tax	297,881	396,254	-24.8	471,807	615,802	-23.4
Minority Interest	82,183	120,508	-31.8	-	-	-
Profit after Minority Interest	380,064	516,762	-26.5	471,807	615,802	-23.4

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

	Group			Company		
	Year ended		%	Year ended		%
	31.03.2011	31.03.2010	Increase (Decrease)	31.03.2011	31.03.2010	Increase (Decrease)
	Rs. ‘000	Rs. ‘000		Rs. ‘000	Rs. ‘000	
Allowance for doubtful trade receivables (net off recovery)	-	8,445	n.m.	-	-	n.m.
Foreign currency exchange adjustment loss/(gain)	(85,587)	(179,183)	-52.2	(84,576)	(104,763)	-19.3
Loss on disposal of plant and equipment	1,357	23,371	-94.2	1,460	(348)	-519.5
Research and developments expenditure	11,649	7,392	57.6	11,004	6,863	60.3
Sundry Balance written off	(584)	(4,449)	-86.9	(7)	(4,000)	-99.8

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 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS				
Current assets				
Cash & bank balances	229,418	220,021	106,535	153,831
Available for sale investments	353,587	187,457	353,587	187,457
Trade receivables	3,439,678	3,156,864	3,255,773	3,236,969
Other receivables and prepayments	1,783,754	1,615,200	1,718,336	1,266,355
Inventories	1,530,919	1,386,310	1,297,539	1,209,156
Income tax recoverable	57,856	19,077	66,229	24,471
Total current assets	7,395,212	6,584,929	6,797,999	6,078,239
Non – current assets				
Property, plant and equipments	7,097,195	6,804,078	2,371,248	1,846,589
Interest in subsidiaries	-	-	1,117,530	1,110,530
Available for sale investments	5,603	5,583	5,573	5,573
Deferred tax Assets	122,194	36,418	-	-
Total non – current assets	7,224,992	6,846,079	3,494,351	2,962,692
Total assets	14,620,204	13,431,008	10,292,350	9,040,931
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	2,279,933	2,010,031	1,752,944	1,991,323
Other borrowings	-	5,322	-	-
Trade payables	1,176,814	1,006,752	1,042,018	912,881
Other payables	629,460	556,545	423,607	426,784
Total current liabilities	4,086,207	3,578,650	3,218,569	3,330,988
Non – current liabilities				
Long Term Loan	4,872,331	4,378,275	1,490,545	493,900
Deferred tax liabilities	-	-	131,446	117,831
Total non – current liabilities	4,872,331	4,378,275	1,621,991	611,731
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	604,270	554,270	604,270	554,270
Capital Reserve	3,520	3,520	3,122	3,122
Capital redemption reserve	18,433	18,433	18,433	18,433
Dividend reserve	119,299	119,301	119,299	119,301
Currency translation reserve	5,335	(2,596)	-	-
Accumulated profits	2,491,892	2,280,056	2,887,304	2,583,724
Minority interest	599,555	681,737	-	-
Total equity	5,661,666	5,474,083	5,451,790	5,098,212
Total liabilities and equity	14,620,204	13,431,008	10,292,350	9,040,931

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 March 2011		As at 31 March 2010	
Secured		Secured	
Group	Company	Group	Company
Rs. '000	Rs. '000	Rs. '000	Rs. '000
931,491	704,502	882,053	863,345

As at 31 March 2011		As at 31 March 2010	
Un –Secured		Un –Secured	
Group	Company	Group	Company
Rs. '000	Rs. '000	Rs. '000	Rs. '000
1,348,442	1,048,442	1,127,978	1,127,978

Amount repayable after one year

As at 31 March 2011		As at 31 March 2010	
Secured		Secured	
Group	Company	Group	Company
4,872,331	1,490,545	4,378,275	493,900

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, 2011, bank borrowings amounting to **Group Rs 662,910,000 & Company Rs 454,502,000** 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, 2010, bank borrowings amounting to Rs.. 277,384,000 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 (ICICI Bank Limited)

As at March 31, 2011, bank borrowings are amounting to Rs. Nil

As at March 31, 2010, bank borrowings amounting to Rs. 134,700,000 are secured by:

(a) first ranking pari passu charge by way of hypothecation on the Company's current assets; and

Bank B (ICICI Bank Limited - Bahrain)

As at March 31, 2011, bank borrowings are amounting to Rs.46,453,000 (repayable after one year) and Rs. 18,581,000 (repayable within one year) are secured by:

first ranking pari passu charge by way of hypothecation on the Company's current assets

As at March 31, 2010, bank borrowings are amounting to Rs. 65,479,000 (repayable after one year) and Rs. 18,708,000 (repayable within one year) are secured by:

first ranking pari passu charge by way of hypothecation on the Company's current assets

Bank C (ECB – Standard Chartered Bank)

As at March 31, 2011, bank borrowings amounting to Rs. 490,545,000 are secured. (repayable after one year)

As at March 31, 2010, bank borrowings amounting to Rs. 493,900,000 are secured. (repayable after one year)

Bank D (State Bank of India)

As at March 31, 2011, bank borrowings amounting to Rs. Nil are secured.

As at March 31, 2010, bank borrowings amounting to Rs. 250,490,000 are secured.

Bank E (HDFC Bank Limited)

As at March 31, 2011, bank borrowings amounting to Rs. 250,000,000 are secured.

As at March 31, 2010, bank borrowings amounting to Rs. 200,771,000 are secured

Bank F (Standard Chartered Bank)

As at March 31, 2011, bank borrowings amounting to Rs.191,758,000 are unsecured.

As at March 31, 2010, bank borrowings amounting to Rs.325,525,000 are unsecured.

Bank G (HDFC Bank Limited)

As at March 31, 2011, bank borrowings amounting to Rs. 506,684,000 are unsecured.

As at March 31, 2010, bank borrowings amounting to Rs. 402,453,000 are unsecured.

Bank H (ICICI Bank Limited)

As at March 31, 2011, bank borrowings amounting to Rs. Nil are Unsecured.

As at March 31, 2010, bank borrowings amounting to Rs. 300,000,000 are Unsecured.

Bank I (Kotak Mahindra Bank Limited)

As at March 31, 2011, bank borrowings amounting to Rs. Nil are Unsecured.

As at March 31, 2010, bank borrowings amounting to Rs. 100,000,000 are Unsecured

Bank J (Yes Bank Limited)

As at March 31, 2011, bank borrowings amounting to Rs. 150,000,000 are Unsecured.

As at March 31, 2010, bank borrowings amounting to Rs. Nil are Unsecured

Bank K (Commercial Paper – Allahabad Bank)

As at March 31, 2011, issued commercial paper of Rs. 200,000,000 which is Unsecured.

As at March 31, 2010, bank borrowings amounting to Rs. Nil are Unsecured.

Bank L (Non-Convertible Debenture)

As at March 31, 2011, issued NCD of Rs. 1,000,000,000 which is secured and repayable after one year.

As at March 31, 2010, bank borrowings amounting to Rs. Nil are secured.

Bank M (KBC Bank Limited – Meghmani Europe BVBA)

As at March 31, 2011, bank borrowings amounting to Rs. 25,821,000 are secured by the assets purchased at Europe.

As at March 31, 2010, bank borrowings amounting to Rs. 25,997,000 are secured by the assets purchased at Europe.

Bank N (Consortium of banks – Meghmani Finechem Limited (MFL))

As at March 31, 2011, bank borrowings amounting to Rs. 2,415,403,000 (repayable after one year) are secured by Mortgage/hypothecation of assets.

As at March 31, 2010, bank borrowings amounting to Rs. 2,892,521,000 (repayable after one year) are secured by Mortgage/hypothecation of assets.

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

As at March 31, 2011, bank borrowings amounting to Rs. 891,900,000 (repayable after one year) are secured by Mortgage/hypothecation of assets.

As at March 31, 2010, bank borrowings amounting to Rs. 898,000,000 (repayable after one year) are secured by Mortgage/hypothecation of assets.

Bank P (Dhanlaxmi Bank Limited)

As at March 31, 2011, bank borrowings amounting to Rs. 150,000,000 are Unsecured.

As at March 31, 2010, bank borrowings amounting to Rs. Nil are Unsecured.

Bank Q (Axis Bank Limited)

As at March 31, 2011, bank borrowings amounting to Rs.150,000,000 are Unsecured.

As at March 31, 2010, bank borrowings amounting to Rs. Nil are Unsecured.

Bank R (PT. Astrasedaya Finance – PT Meghmani Indonesia)

As at March 31, 2011, bank borrowings amounting to **Rs. 2,209,000** are secured by the Vehicle purchased at Indonesia.

As at March 31, 2010, bank borrowings amounting to **Rs. 2,378,000** are secured by the Vehicle purchased Indonesia.

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	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities:				
Profit from operations	910,405	900,252	784,372	972,964
Adjustments for :				
Depreciation on property, plant and equipment	686,476	514,279	203,466	170,157
Unrealised foreign exchange gain (loss)	135,050	30,619	140,745	75,486
Interest Received	(7,062)	(15,351)	(8,730)	(20,656)
Loss on disposal of property, plant and equipment	1,357	23,371	1,460	(348)
Operating cash flows before movement in working capital	1,726,226	1,453,170	1,121,313	1,197,603
Trade receivables	(282,815)	(326,947)	(18,805)	(268,029)
Other receivables and prepayments	(303,604)	99,023	(592,726)	(189,176)
Inventories	(144,609)	(254,219)	(88,383)	(154,707)
Trade payables	170,063	138,443	129,138	208,222
Bills payables	118,392	(350,460)	118,391	(350,460)
Other payables	72,916	(193,907)	(3,177)	(207,011)
Cash generated from operations	1,356,569	565,103	665,751	236,442
Income taxes paid	(168,198)	(181,885)	(156,758)	(174,100)
Interest and finance charges paid	(579,227)	(418,712)	(194,296)	(136,011)
Net cash from operating activities	609,144	(35,494)	314,697	(73,669)
Cash flows from investing activities:				
Purchase of property, plant & equipments	(983,742)	(1,172,678)	(732,375)	(524,940)
Proceeds on disposal of property, plant & equipments	2,791	9,728	2,791	9,728
Purchase of available for sale investments	(20)	-	-	-
Interest received	7,062	15,351	8,730	20,656
Investments in subsidiaries		-	(7,000)	(13,413)
Investment income received	10,346	346	10,346	331
Net cash used in investing activities	(963,563)	(1,147,253)	(717,508)	(507,638)
Cash flows from financing activities:				
Dividend paid	(101,335)	(83,520)	(101,335)	(83,520)
Tax on dividend paid	(16,895)	(14,263)	(16,895)	(14,263)
Proceeds from bank borrowings, net of repayments	425,102	1,264,578	719,410	1,117,790
Proceeds from other borrowings, net of repayments	215,143	(209,043)	(79,535)	(183,292)
Net cash from financing activities	522,015	957,752	521,645	836,715
Net effect of exchange rate change in consolidation	7,931	(6,020)		
Net (decrease) increase in cash and cash equivalents	175,527	(231,015)	118,834	255,408
Cash and cash equivalents at the beginning of the year	407,478	638,493	341,288	85,880
Cash and cash equivalents at the end of the year	583,005	407,478	460,122	341,288

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	Dividend reserve	Currency translation reserve	Accumulated Profits	Minority Interest	Total
Balance as at March 31,2009	254,314	1,565,048	489,270	3,520	18,433	98,463	3,424	1,946,915	802,246	5,181,633
Net profit for the year	-	-	-	-	-	-	-	516,762	-	516,762
Transfer to (from) reserve	-	-	65,000	-	-	-	-	(65,000)	-	-
Proposed dividend	-	-	-	-	-	118,621	-	(118,621)	-	-
Final dividend paid	-	-	-	-	-	(97,783)	-	-	-	(97,783)
Addition during the year	-	-	-	-	-	-	-	-	(120,509)	(120,509)
Currency Translation Reserve	-	-	-	-	-	-	(6,020)	-	-	(6,020)
Balance as at March 31,2010	254,314	1,565,048	554,270	3,520	18,433	119,301	(2,596)	2,280,056	681,737	5,474,083
Net profit for the year	-	-	-	-	-	-	-	380,064	-	380,064
Transfer to (from) reserve	-	-	50,000	-	-	-	-	(50,000)	-	-
Proposed dividend	-	-	-	-	-	118,228	-	(118,228)	-	-
Final dividend paid	-	-	-	-	-	(118,230)	-	-	-	(118,230)
Addition during the year	-	-	-	-	-	-	-	-	(82,182)	(82,182)
Currency Translation Reserve	-	-	-	-	-	-	7,931	-	-	7,931
Balance as at March 31,2011	254,314	1,565,048	604,270	3,520	18,433	119,299	5,335	2,491,892	599,555	5,661,666

Company

Rs. '000

	Issued capital	Share premium	General reserve	Capital Reserve	Capital redemption reserve	Dividend reserve	Accumulated Profits	Total
Balance as at March 31,2009	254,314	1,565,048	489,270	3,122	18,433	98,463	2,151,543	4,580,193
New Capital issued	-	-	-	-	-	-	-	-
Share premium received	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	615,802	615,802
Transfer to (from) reserve	-	-	65,000	-	-	-	(65,000)	-
Proposed dividend	-	-	-	-	-	118,621	(118,621)	-
Final dividend paid	-	-	-	-	-	(97,783)	-	(97,783)
Gratuity Provision Earlier Year	-	-	-	-	-	-	-	-
Balance as at March 31,2010	254,314	1,565,048	554,270	3,122	18,433	119,301	2,583,724	5,098,212
New Capital issued	-	-	-	-	-	-	-	-
Share premium received	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	471,807	471,807
Transfer to (from) reserve	-	-	50,000	-	-	-	(50,000)	-
Proposed dividend	-	-	-	-	-	118,228	(118,228)	-
Final dividend paid	-	-	-	-	-	(118,230)	-	(118,230)
Gratuity Provision Earlier Year	-	-	-	-	-	-	-	-
Balance as at March 31,2011	254,314	1,565,048	604,270	3,122	18,433	119,299	2,887,304	5,451,790

1(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 2011	31 March 2010
Total number of issued ordinary shares		
Excluding treasury shares	53,116,650	63,319,650

During the year the Company has issued 10,203,000 underline equity shares to SDS holders under two way fungibility mechanism.

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 or reviewed in accordance with the provisions of Generally Acceptable 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 Group's financial statements have been prepared from those accounting records maintained under Generally Accepted Accounting Practices in India ('Indian GAAP')

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 2010 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.**

Not Applicable

- 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.**

Earnings per Ordinary shares	Group		Company	
	Year ended		Year ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
(a) Based on weighted average number of ordinary shares in issue (Rs)	1.49	2.03	1.86	2.42
Earnings per SDS (Rs)	0.75	1.02	0.93	1.21
(b) On a fully diluted basis (detailing any adjustments made to the earnings) (Rs)	1.49	2.03	1.86	2.42
Earnings per SDS (Rs.)	0.75	1.02	0.93	1.21

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 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Net assets value per ordinary share based on issued share capital at the end of the year reported in Rs.	22.26	21.52	21.44	20.05

- 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 and trading of Pigments, Agrochemicals Basic Chemicals and (ii) trading of intermediates and Agrochemicals technical and intermediates products.

Review of results for the year ended on 31 March, 2011

Revenue -Group

Group revenue for FY 2011 rose by 25.5% to Rs. 10246.74 million from Rs. 8162.72 million in FY 2010.

Breakdown of Revenue by Product

(Rs. in Millions)

Products	FY 2011	FY 2010	Increase/ (Decrease)	%
Pigment	3148.85	2377.43	771.42	32.4
Agrochemical	4372.65	4077.97	294.68	7.2
Power	60.85	57.97	2.88	5.0
Caustic Chlorine	1571.58	752.67	818.91	108.8
Trading / Subsidiary	1092.81	896.68	196.13	21.9
Total	10246.74	8162.72	2084.02	25.5

Breakdown of Exports Sales by Product

(Rs. in Millions)

Export Sales	FY 2011	FY 2010	Increase/ (Decrease)	%
Pigment	2239.34	1732.87	506.47	29.2
Agrochemical	2773.37	2575.16	198.21	7.7
Caustic Chlorine	27.99	0.00	27.99	n.m.
Trading / Subsidiary	1043.78	868.87	174.91	20.1
Total	6084.48	5176.90	907.58	17.5

Breakdown of Domestic Sales by Product

(Rs. In Millions)

Domestic Sales	FY 2011	FY 2010	Increase/ (Decrease)	%
Pigment	909.51	644.56	264.95	41.1
Agrochemical	1599.28	1502.81	96.47	6.4
Power	60.85	57.97	2.88	5.0
Caustic Chlorine	1543.59	752.67	790.92	105.1
Trading	49.03	27.81	21.22	76.3
Total	4162.26	2985.82	1176.44	39.4

Reasons for Increase / (Decrease) in Sales

- 1) Export sales of Pigment Division increased by 29.2% because of more quantity sales and better price realisation.
- 2) Export sales of Agrochemical Division increased by 7.7 % because of increase in sales quantity.
- 3) Domestic sales of Pigment Division increased by 41.1% on account of new customer base.
- 4) Domestic sales of Agrochemical Division increased by 6.4.

- 5) Trading activity of Merchant exports increased by Rs. 174.91 million i.e. by 20.1%% mainly because of trading activity of Agrochemical products.

Revenue - Company

Company revenue for FY 2011 increased by 15.8 % to Rs.8446.99 million from Rs. 7292.18 million in FY 2010.

Breakdown of Revenue by Product

(Rs. in Millions)

Products	FY 2011	FY 2010	Increase/ (Decrease)	%
Pigment	3549.92	2814.69	735.23	26.1
Agrochemical	4405.13	4119.93	285.20	6.9
Trading / Subsidiary	491.94	357.56	134.38	37.6
Total	8446.99	7292.18	1154.81	15.8

Breakdown of Exports Sales by Product

(Rs. in Millions)

Export Sales	FY 2011	FY 2010	Increase/ (Decrease)	%
Pigment	2640.41	2170.13	470.28	21.7
Agrochemical	2805.84	2617.12	188.72	7.2
Trading	442.91	329.76	113.15	34.3
Total	5889.16	5117.01	772.15	15.1

Breakdown of Domestic Sales by Product

(Rs. in Millions)

Domestic Sales	FY 2011	FY 2010	Increase/ (Decrease)	%
Pigment	909.51	644.56	264.95	41.1
Agrochemical	1599.29	1502.81	96.48	6.4
Trading	49.03	27.80	21.23	76.4
Total	2557.83	2175.17	382.66	17.6

Reasons for Increase / (Decrease) in Sales

- 1) Export sales of Pigment Division increased by 21.7 % because of better price realisation.
- 2) Export sales of Agrochemical Division increased by 7.2 % because of increase in sales quantity.
- 3) Domestic Sales of Pigment Division increased by 41.1% mainly due to focus on new customer base.
- 4) Domestic Sales of Agrochemical Division increased marginally by 6.4 %.
- 5) Trading activity increased by Rs.134.38 million. The main contributory being export trading activity.

Gross profit - Group

The gross profit increased by 17.8% to Rs.1504.65 million in FY 2011 from Rs 1277.52 million in FY 2010. The gross profit margin decreased to 14.7% in FY 2011 from 15.7% in FY 2010.

Breakdown of Gross Profit by Division

(Rs. in Millions)						
Division	FY 2011	GP Margin FY 2011 (%)	FY 2010	GP Margin FY 2010 (%)	Increase/ (Decrease)	Increase/ Decrease (%)
Pigment	632.12	20.1	492.11	20.7	140.01	28.5
Agrochemical	608.95	13.9	853.14	20.9	-244.19	-28.6
Power	61.76	31.4*	81.03	39.5*	-19.27	-23.8
Caustic Chlorine	118.29	7.5	-138.93	-18.5	257.22	-185.1
Trading/Subsidiary	83.53	7.6	-9.83	-1.1	93.36	-949.7
Total	1504.65	14.7	1277.52	15.7	227.13	17.8

* GP Percentage of power is calculated on total sales made by Meghmani Energy Limited

Reasons for increase / (decrease) in GP margin

GP of Pigment

The gross profit of Pigment Division increased by 28.5% due to better price realisation however, GP margin decreased marginally from 20.7% in FY 2010 to 20.1% in FY 2011.

GP of Agrochemical

The amount of gross profit of Agrochemical Division decreased by 28.6% and GP margin decreased from 20.9% in FY 2010 to 13.9% in FY 2011 due to pressure on sales price of certain products and increase in raw material prices.

Gross profit – Company

The amount of gross profit decreased by 3.4% to Rs. 1279.72 million in FY 2011 from Rs.1325.34 million in FY 2010. The gross profit margin decreased from 18.2 % in FY 2010 to 15.2% in FY 2011.

Breakdown of Gross Profit by Division

(Rs. in Millions)						
Division	FY 2011	GP Margin FY 2011 (%)	FY 2010	GP Margin FY 2010 (%)	Increase/ (Decrease)	%
Pigment	632.12	17.8	492.11	17.5	140.01	28.5
Agrochemical	608.96	13.8	853.14	20.7	-244.18	-28.6
Trading / Subsidiary	38.64	7.9	-19.91	-5.6	58.55	-294.1
Total	1279.72	15.2	1325.34	18.2	-45.62	-3.4

Reasons for increase / (decrease) in GP margin

GP margin of Pigment

The amount of gross profit of Pigment Division increased by 28.5% and GP margin increased marginally from 17.5% in FY 2010 to 17.8% in FY 2011 due to better price realisation.

GP of Agrochemical

The amount of gross profit of Agrochemical Division decreased by 28.6% and GP margin decreased from 20.7% in FY 2010 to 13.8 % in FY 2011 due to pressure on pricing and increase in raw material cost.

Other operating income – Group & Company

Other operating income of the Group and the Company which consists mainly of export benefits such as Duty Entitlement Passbook Benefit (DEPB), duty drawback, etc. has decreased by Rs. 5.5 million and Rs. 17.4 million in FY 2011 respectively mainly due to decrease in income of interest charged to Customers for late payment .

Distribution, Administrative and Other Operating Expenses – Group & Company

Distribution expenses

Distribution expenses of Group increased by Rs. 131.3 million, i.e. by 25.1% and the Company increased by Rs. 81.3 million i.e. by 16.1% in comparison to the corresponding figures for the previous year. The expenses are in correspondent to increase in sales.

Administrative expenses – Group & Company

Administrative expenses of Group increased by Rs.13.2 million i.e. by 5.7% on account of expenses of Meghmani Finechem Limited and of Company increased by Rs. 18.3 million i.e. by 9.8%.

Other Operating Expenses

Other operating expenses increased mainly on account of decrease 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.

Finance costs

Finance costs of the Group during FY 2011 increased by Rs. 160.5 million, i.e. by 38.3% on account of Interest of Meghmani Finechem Limited. And the Company level it increased by Rs. 58.3 million on account of Increase in bank rate & Non Convertible Debentures.

Income from investments

The investment of surplus money in mutual fund.

Interest in Subsidiaries

Meghmani Organics USA Inc., a wholly owned subsidiary of the Company, has commenced its commercial transactions. Accordingly, financial statement of Meghmani Organics USA Inc. for the period ended on 31 March, 2010 has been included in the profit / loss of the Group.

Meghmani Europe is a subsidiary of the Company. Accordingly, financial statement prepared for the quarter ended 31 March, 2010 has been considered in the profit / loss of the Group as Subsidiary.

Meghmani Energy Limited (MEL) a Special Purpose Vehicle (SPV) has set up a Captive Power Plant near its Agrochemical Unit at Chharodi and the Company has subscribed to 70% of its share capital, making MEL subsidiary of the Company.

Meghmani Finechem Limited (MFL) has been formed as a Special Purpose Vehicle (SPV) company to implement Rs. 555 Crore Caustic Chlorine project. The Project has commenced the commercial production on 01 July,2010. Meghmani Organics hold 57% of the share capital.

Meghmani Chemtech Limited has been formed to set up the project in Special Economic Zone. Meghmani Organics Limited holds 97% of the shares.

P T Meghmani Indonesia a trading company has been set up for the trading purpose. Meghmani Organics Limited holds 99% of the shares.

Taxation

Income tax of the Group decreased by Rs. 42.0 million in FY 2011 i.e. Rs.43.6 million from Rs. 85.6 million in FY 2010. Due to loss of some of the Subsidiaries and deferred tax assets of Meghmani Finechem Limited.

While that of Company decreased by Rs. 92.9 million because of increase in the profit of panoli EOU Unit – II which is tax exempted.

Balance sheet

Trade receivables

The balance of Group trade receivables increased by Rs. 282.8 million, i.e. by 9.0 % and the Company by Rs. 18.8 million i.e. by 0.6%. The receivables turnover ratio decreased to 123 days as at 31 March 2011 from 141 days as at 31 March 2010.

Inventories

The Group Inventories for FY 2011 increased by Rs. 144.6 million and for the Company by Rs. 88.4 million. This is due to increase in finished goods and raw material inventories.

Property, plant and equipments

Property, plant and equipment of Group increased by Rs 293.1 million mainly due to Purchase of Property by MOL – Dahej (Agro – III) and Meghmani Finechem Ltd.

Bank Borrowings

Bank borrowings (current) of Group increased by Rs 150.6 million while Bank borrowings (non - current) increased by Rs. 613.3 million. This is mainly due to issuance of non Convertible Debentures of Rs. 1000 million.

Trade payables

The balance of trade payables Group increased by Rs. 170.1 million in FY 2011 while that of Company by Rs. 120.01 million.

Other payables

The balance of other payables of Group increased by Rs 72.9 million i.e. by 13.1% while that of Company decreased by Rs. 3.2 million.

Financial Analysis

Group Key financial highlights	(Rs. in millions)			
	As at 31.03.2011	As at 31.03.2010	Variance	Variance (%)
<u>Profitability</u>				
Sales	10,247	8,163	2,084	25.5
Gross Profit	1,505	1,278	227	17.8
Gross Profit Margin (%)	14.7	15.7		
Profit before tax	342	482	-140	-29.0
Profit before tax Margin (%)	3.3	5.9		
Net profit	380	517	-137	-26.5
Earning per Share (EPS in Rs.)	1.49	2.03	-0.54	-26.6
Annualised return on equity (ROE)	6.71	9.44	-2.73	-28.9
<u>Financial position</u>				
Net tangible assets	5,662	5,474	188	3.4
Debt (short term + long term)	7,152	6,388	764	12.0
Capital Gearing ratio	1.26	1.17	0.09	7.7
Net tangible assets per share	19.9	18.8	1.1	5.9
Stock turnover (days)	64	73	-9	-12.3
Trade debts turnover (days)	123	141	-18	-12.8

Cash flow statement

During the year, the Group generated positive cash flows of Rs. 609.1 million from operating activities.

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 Prospects

Chemical Industry is an important constituent of the Indian economy. Its size is estimated at around US\$ 35 billion approx., which is equivalent to about 3% of India's GDP. The total investment in Indian Chemical Sector is approx. US\$ 60 billion. The Indian Chemical sector accounts for 13-14% of total exports and 8-9% of total imports of the country. In terms of volume, it is 12th largest in the world and 3rd largest in Asia. Currently, per capita consumption of products of chemical industry in India is about 1/10th of the world average. Over the last decade, the Indian Chemical industry has evolved from being a basic chemical producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising of specialty chemicals, fine chemicals and pharmaceuticals.

Global demand to rise 3.9% yearly through 2013

The size of the global pigment and dyestuff market is estimated at USD 13.9 Bn in 2009. Of this, the size of the organic pigment market is estimated at USD 9.1 Bn. The market is forecast to grow at a CAGR of 3.9% to emerge as a USD 16.9 Bn market by 2013. The organic pigment market is expected to grow at a faster pace as compared to the dyestuff market. In volume terms, demand will grow 3.5 percent annually to 2.3 million metric tons. While the textile industry will remain the largest consumer of dyes and organic pigments, faster growth is expected in other markets such as printing inks, paint and coatings, and plastics. Strong gains will occur in the Asia/Pacific region and, to a lesser extent, other developing regions such as the Africa/Mideast region and Eastern Europe, while market maturity will limit advances in North America and Western Europe.

We expect the market to stabilize in 2011. High raw material cost may be a critical issue in 2011. Despite this expected market condition, we continue to expect pigment users to seek alternate sources affording reasonable growth in 2011 and beyond.

Agrochemicals

Following a period of decline in overall market values, the global pesticides industry – as expected has recovered in 2010 and has registered a modest growth of around 1.1% over the previous year. Although high cereal stocks in Europe, high energy costs, over supply of pesticides globally and concerns over re-registration in various important markets has limited gains, this small rise represents an improvement over the past few years. At a time of rising food prices, population growth, increased demand for bio-fuels and concerns over global food security, there is a growing need for using every available technology – including pesticides, to meet future food needs and tackle the emerging challenges of climate change and resource conservation.

The Indian crop protection chemicals market has seen a sustained increase from 2005 onwards, resulting in India being ranked third in best global market performance – after Argentina and Brazil, with a compound annual growth rate of 10 percent. This is mainly due to the consistent monsoon seasons, over-supply resulting in pesticides being more financially feasible for usage by farmers and growth seen in the export market. India has raised the level of its export competency with a consistent quality and supply record and possession of a vast unexplored market.

Chemicals manufacturers have targeted product awareness campaigns at Indian farmers, as the country's affordability has increased with the cultivation of high-value crops. The per capita consumption of pesticides in India is still very low compared to the developed countries and manufacturers need a smart 'get to market' strategy to achieve better reach and acceptance of products. The demand will also be driven by the rising food grain demand and increasing awareness about pesticide usage among the farmer community. However, threat of illegal, cheap imports from China is ever present and becoming a big factor in performance of local Indian producers.

Outlook for FY 2012

Raw Material Price

The volatility in foreign exchange market and the increase in raw material prices may impact on finished goods prices, as a result, our profitability is likely to be affected in 1Q FY 2012.

Market Price

The global markets for pigment products have shown signs of improvements. This quarter and the coming quarters would witness pressure on pricing more specifically in the Agrochemical market.

Profitability

The Group and Company revenue for Fy 2011 has increased. The Market Dynamics are changing rapidly. While Net Profit after tax has been reduced The Group Profitability may be affected due to unpredictable market trends.

Registrations

The focus for the year has remained Brazil and the African markets, as well as getting registrations of three products with the World Health Organization (WHO) and Food & Agriculture Organization (FAO) under United Nations, which would allow us access to vast tenders floated by these agencies for humanitarian work. To date, 80 registrations have already been received and 387 registrations are applied for in different parts of the world.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the financial period reported on? Yes

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

(c) Date payable: 11 August, 2011 (Tentative)

(d) Books closure date: 18 July, 2011 to 29 July, 2011

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

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1,Q2,Q3 or Half Year Results)

13. 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, 2011

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others*</u>	<u>Eliminations</u>	<u>Total</u>
Revenue:						
External Sales	3,148,848	4,372,654	1,571,575	1,153,661	-	10,246,738
Inter-segment sales	40,914	573,083	-	76,549	(690,546)	
Sales to Subsidiaries	401,069	32,473	164,585	223,821	(821,948)	
Total Revenue	3,590,831	4,978,210	1,736,160	1,454,031	(1,512,494)	10,246,738
Results						
Segment results	439,736	337,110	60,631	62,908	10,020	910,405
Unallocated Expenses						-
Profit from Operations						910,405
Finance Costs						(579,227)
Income from Investments						10,346
Profit before Tax						341,524
Income Tax						(43,643)
Minority Interest						82,183
Profit after Tax						380,064

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
Other information:						
Capital additions	138,775	1,042,050	162,534	218,193	6,100	1,567,652
Depreciation	(90,869)	(107,217)	(461,051)	(27,640)	301	(686,476)
Balance Sheet:						
Segment assets	2,677,662	4,953,584	5,204,446	1,070,302	(1,931,204)	11,974,790
Unallocated						
Corporate assets						2,523,220
Deferred Tax assets						122,194
Total assets						14,620,204
Segment liabilities	538,879	1,429,678	4,134,634	749,735	(726,354)	6,126,572
Unallocated						
Corporate liabilities						2,831,966
Total liabilities						8,958,538

*Others includes trading activity and Power generation

Segment Results – Group

b) Analysis by business segment

Financial year ended March 31, 2010

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others*</u>	<u>Eliminations</u>	<u>Total</u>
Revenue:						
External Sales	2,377,437	4,077,970	752,675	954,642	-	8,162,724
Inter-segment sales	11	628,802	-	71,056	(699,869)	-
Sales to Subsidiaries	437,257	41,956	96,167	201,853	(777,233)	-
Total Revenue	2,814,705	4,748,728	848,842	1,227,551	(1,477,102)	8,162,724
Results						
Segment results	290,610	715,366	(186,432)	(37,675)	88,752	870,621
Unallocated Expenses						29,631
Profit from Operations						900,252
Finance Costs						(418,712)
Income from Investments						346
Profit before Tax						481,886
Income Tax						(85,632)
Minority Interest						120,508
Profit after Tax						516,762

	<u>Pigments</u>	<u>Agro chemicals</u>	<u>Basic chemicals</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
Other information:						
Capital additions	123,394	465,546	4,915,113	52,217	(39,979)	5,516,291
Depreciation	(84,227)	(71,032)	(323,479)	(36,518)	977	(514,279)
Balance Sheet:						
Segment assets	2,477,637	4,450,502	5,430,200	1,122,289	(1,882,144)	11,598,484
Unallocated						
Corporate assets						1,796,105
Deferred Tax assets						36,418
Total assets						13,431,007
Segment liabilities	261,790	1,441,626	4,042,476	847,569	(669,261)	5,924,200
Unallocated						
Corporate liabilities						2,032,724
Total liabilities						7,956,924

*Others includes trading activity and Power generation

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	2011	2010
	Rs'000	Rs'000
Africa	178,272	319,021
Asia	1,306,118	1,071,498
Australia	361,843	165,025
Europe	1,460,203	1,176,477
India	4,190,253	2,985,822
North America	1,834,462	1,434,518
South America	915,587	1,010,363
Total	10,246,738	8,162,724

14. **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

15. **A breakdown of sales:**

	FY 2011	FY 2010	% Increase
	Rs.'000	Rs.'000	(Decrease)
Sales			
a) Sales reported for first Quarter	2,588,553	1,652,903	56.6
b) Sales reported for second Quarter	2,597,460	2,203,278	17.9
c) Sales reported for third Quarter	2,361,210	2,089,749	13.0
d) Sales reported for fourth Quarter	2,699,515	2,216,794	21.8
Total Sales	10,246,738	8,162,724	25.5
Profit after tax			
a) Profit after tax reported for first Quarter	100,445	198,117	-49.3
b) Profit after tax reported for second Quarter	159,420	66,535	139.6
c) Profit after tax reported for third Quarter	85,774	119,045	-27.9
d) Profit after tax reported for fourth Quarter	34,425	133,065	-74.1
Total Profit after tax	380,064	516,762	-26.5

16. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year:

Total Annual Dividend (Refer to para 16 of Appendix 7.2 for the required details)

(Rs. ‘000)

	FY 2011	FY 2010
Ordinary	118,228	118,621
Preference	-	-
Total	118,228	118,621

17. Interested Person Transactions:

Particulars of interested person transactions for the year ended 31 March, 2011 are as under:

Name of Interested Person	Nature of Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 (equivalent to approximately Rs3,200,000) and transactions conducted under shareholders’ mandate pursuant to Rule 920 of the Listing Manual)
Meghmani Pigments	Purchase of Goods	Rs. 19038633
Vidhi Global Chemicals Limited	Purchase of Goods	Rs. 80852880
Meghmani Pigment 100% EOU	Purchase of Goods	Rs. 9073297
Matangi Industries	Purchase of Goods	Rs. 6456896
Meghmani Infrastructure	Purchase of Services	Rs. 57433444
Panchratra Corporation	Purchase of Services	Rs. 7147440
Meghmani Europe BVBA	Purchase of Goods	Rs. 3456550
Meghmani Organics USA	Purchase of Goods	Rs. 72975285
Meghmani Finechem Limited	Purchase of Goods	Rs. 213651913
Ashish Chemicals	Sales of goods	Rs. 15496047
Ashish Chemicals (EOU)	Sales of goods	Rs. 19829250
Meghmani Industries Ltd.	Sales of goods	Rs. 18102889
Vidhi Global Chemicals Limited	Sales of goods	Rs. 51319485
Meghmani Europe BVBA	Sales of goods	Rs. 94011885
Meghmani organics Inc. USA	Sales of goods	Rs. 314474620
PT Meghmani Indonesia	Sales of goods	Rs. 28735881
Meghmani Chemicals Ltd.	Sales of goods	Rs. 4068102
Meghmani Dyes & Intermediated Limited	Sales of goods	Rs. 4750152
Meghmani Energy Ltd	Purchase of Captive Power	Rs. 139432144

18. Annual General Meeting :

The Annual General Meeting of the group will be held on 29 July, 2011 at Ahmedabad, Gujarat, India

- 19.** 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 Board is of the view that the variance of the profit reported under the quarter ended 31 **March, 2011** is not material.

BY ORDER OF THE BOARD

Kamlesh Dinkerray Mehta

Company Secretary

Date :30.05.2011
