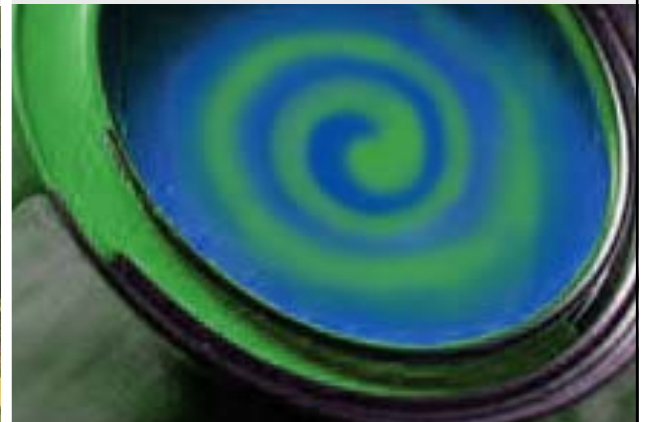




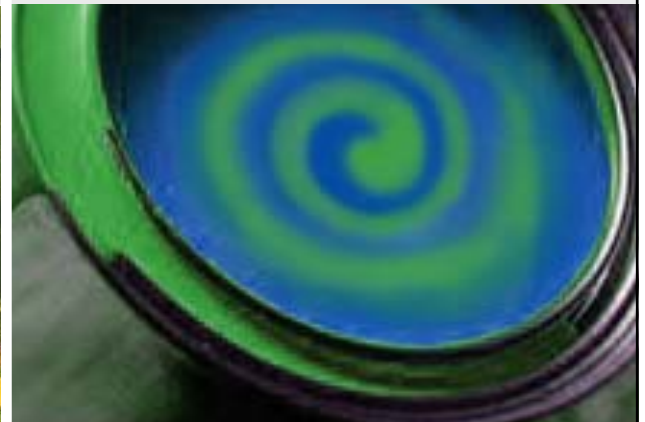
Meghmani Organics Limited

28 May 2007





Business Model



Business Overview

Business segments

Pigments

Vatva

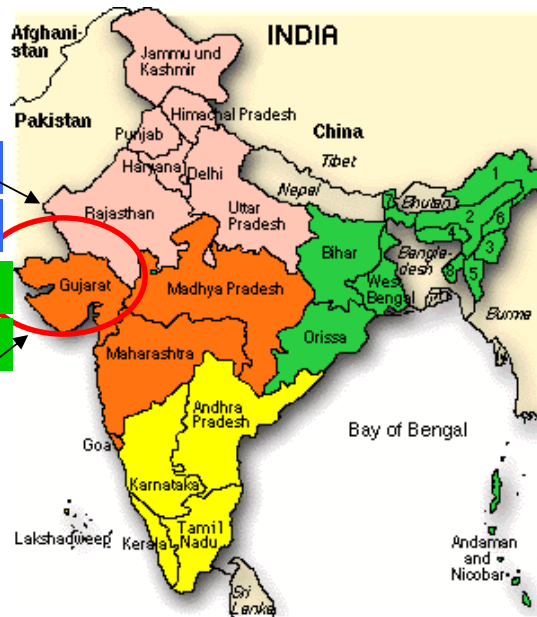
Panoli

Ankleshwar

Chharodi

Agrochemicals

Manufacturing Base



Key Attributes

International Footprint ~70% exports

2 strong businesses - Agrochemicals & Pigments contribute equally

Established brand names

Huge pipeline of product registrations in Agrochemicals

Cost advantage due to India location

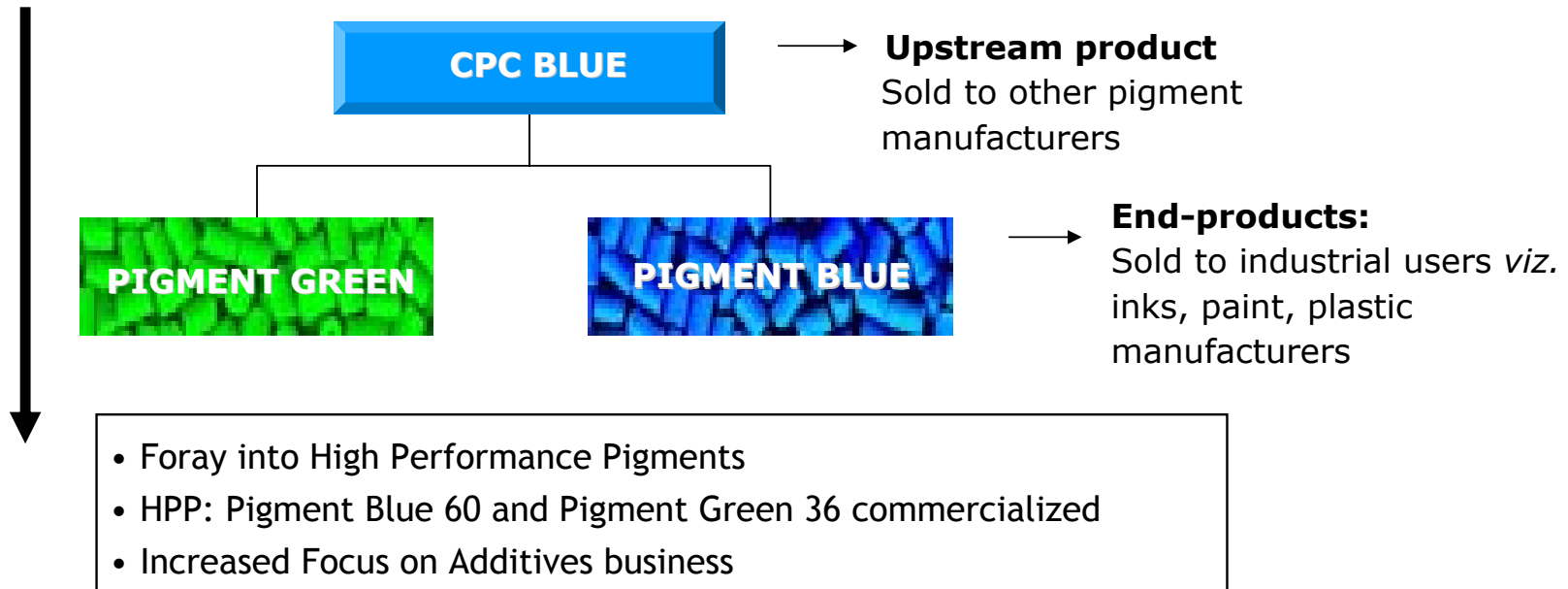
Integrated manufacturing facilities and thrust on R&D

Diversified business model has led to sustained growth



Pigments & Additives – Offering & Growth Drivers

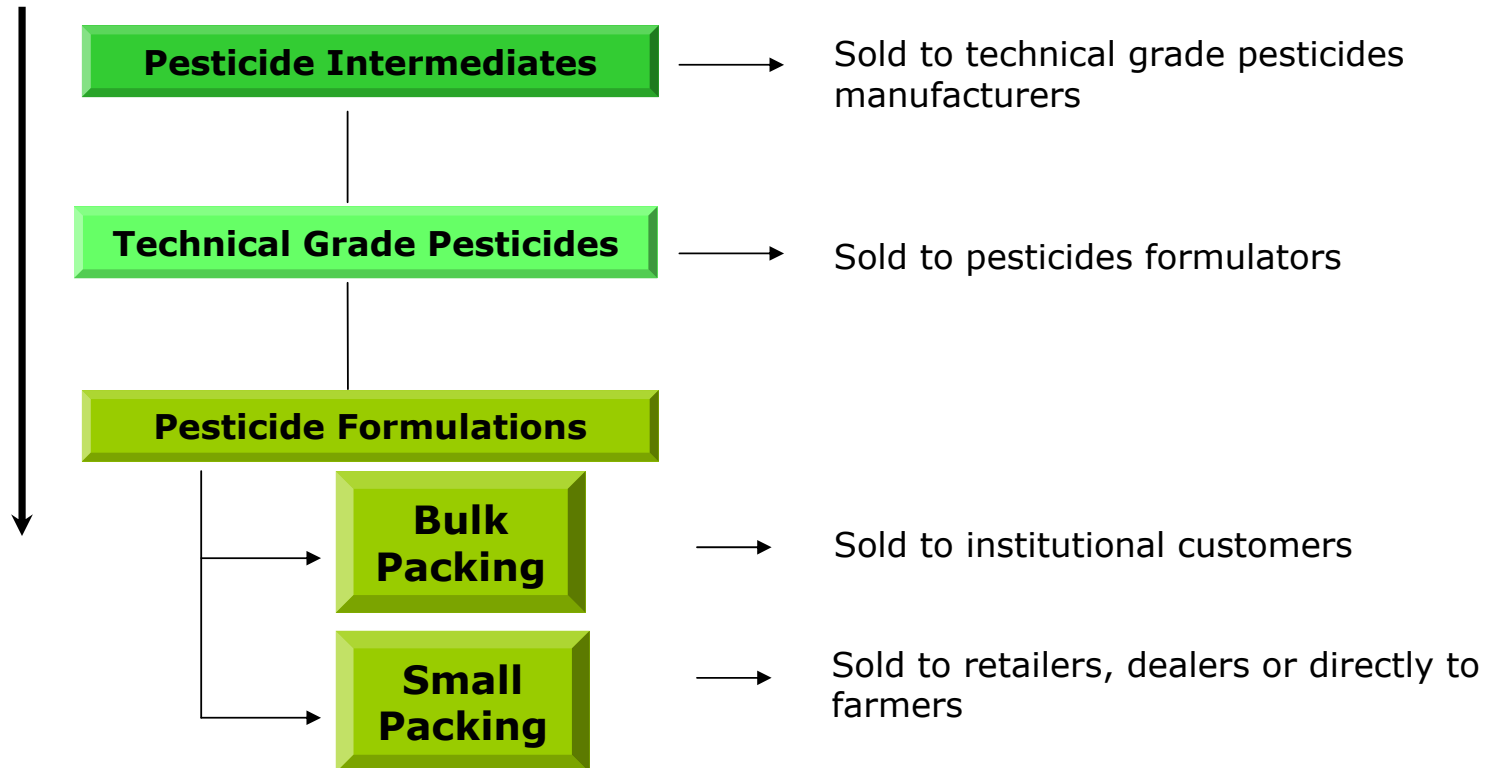
PHTHALOCYANINE GREEN AND BLUE PIGMENTS



End to End Pigment solutions; recent foray into HPPs to enhance portfolio



Agrochemicals – Offering & Growth Drivers

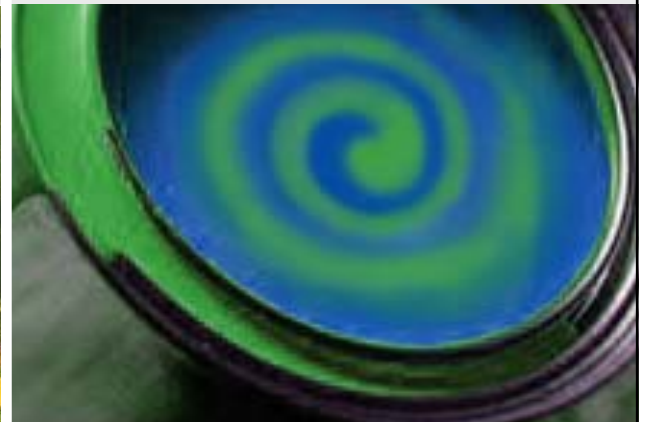


Agrochemicals product offering encompasses the entire value chain



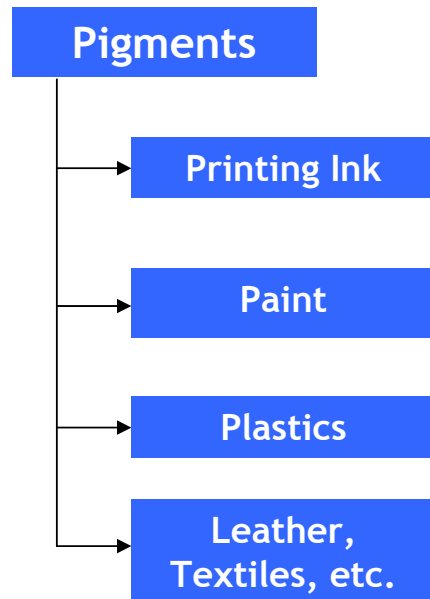


Industry Outlook



Pigments

Major markets for pigment use



Growth drivers and Market outlook

- Printing inks, Paints and Plastics are the major consumers of pigments; Printing ink and coatings account for approx 80% of pigment consumption
- Organic pigments market size is ~ USD 5.5 bn growing at around 4.9% p.a.
- India capitalizing on the outsourcing play - production is getting outsourced from the US, Europe, Japan, etc
- Select set of large corporates control the world market of Paints and Inks - such as Sun-DIC, Flint Group, Akzo Nobel, DuPont, PPG Industries, etc.
- Indian market size increasing
 - Pigment requirement for Indian Ink market ~ Rs. 7.2 bn
 - Pigment requirement for Indian Paint market ~ Rs. 10 bn

Outsourcing trend to India providing impetus to Indian pigment manufacturers



Agrochemicals

Global Scenario - Growth drivers and Market outlook

- Global market size is ~ USD 30.7 bn growing @ 4-5% p.a.
- Global market size of Non crop protection applications - USD 4.65 bn. growing over 5% p.a.
- High Entry Barriers - Agrochemicals products need registrations which involves significant time and cost

Indian Scenario- Growth drivers and Market outlook

- Indian pesticide market - 13th largest in the world, but accounts for a low consumption 0.57 as compared to other developed countries
- Indian pesticide market ~ USD 650 million
- Per hectare consumption one of lowest in the world
- Given +ve demographics and availability of cultivable land, significant potential for increase in use of pesticides

Country	Consumption of pesticides*
Taiwan	17.00
Japan	12.00
Korea	6.60
Europe	3.00
USA	3.00
India	0.57

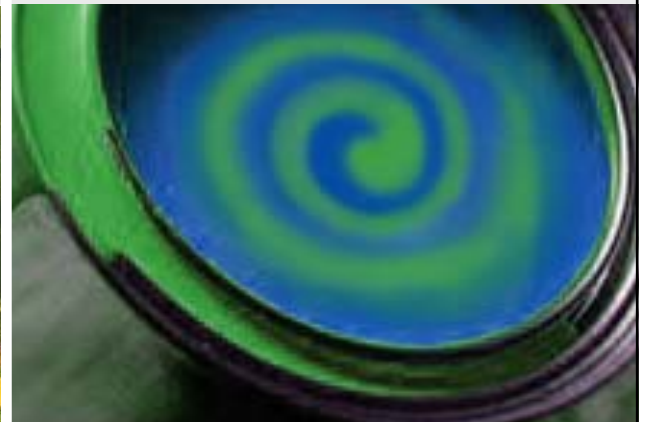
*Kg/Hectare

India has significant potential for higher use of agrochemical products

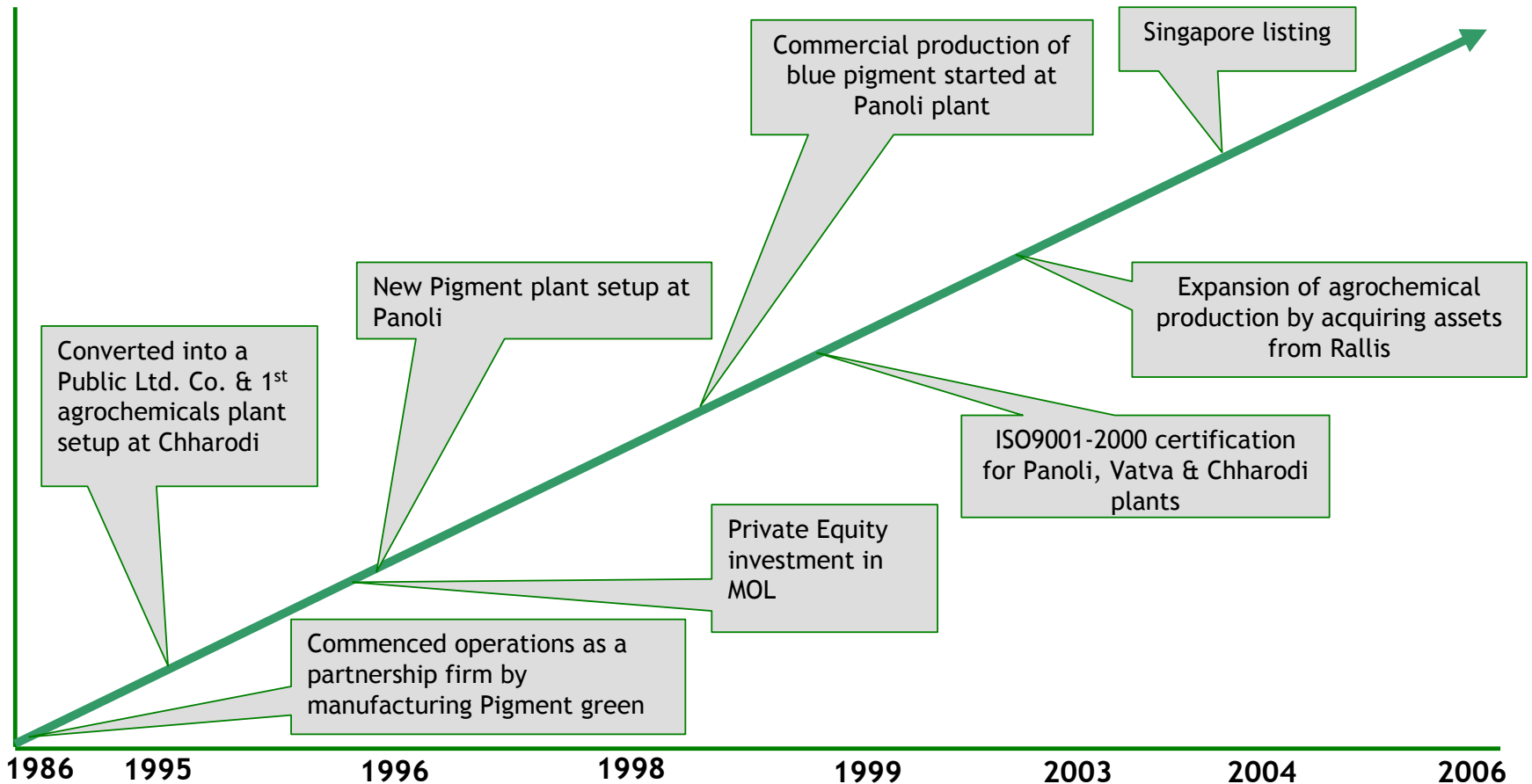




Company Highlights



Our Evolution



Integrated Manufacturing Facilities

Panoli Plant



Pigments



Vatva Plant

Ankleshwar Plant



Agrochemicals

Chharodi Plant

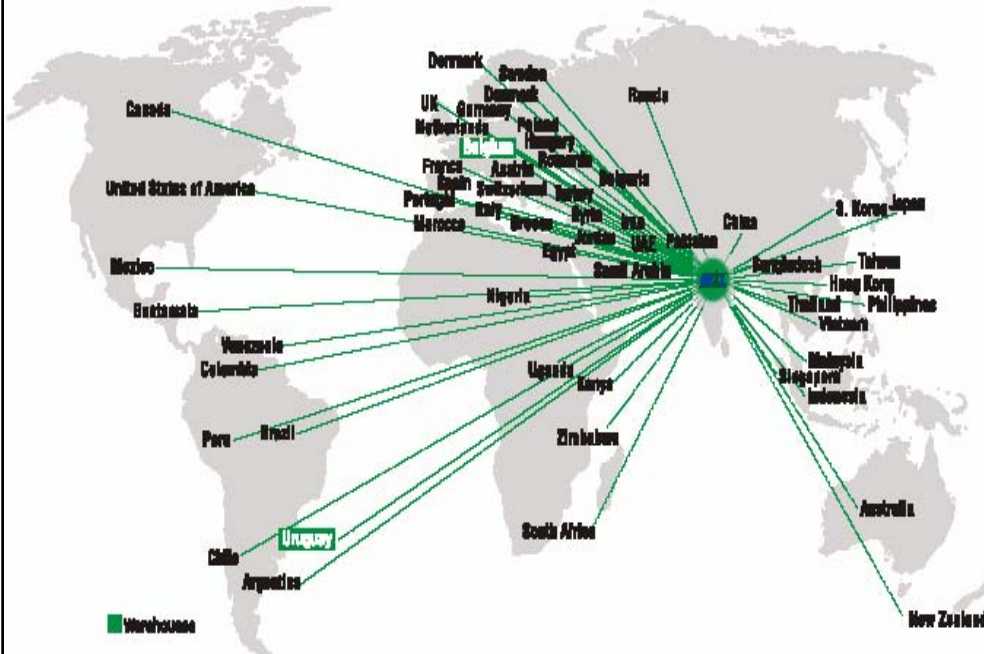
Key Plant Attributes

- Close Proximity to Raw Materials at low costs
- Easy accessibility to road networks, railways and key ports
- Located in one of the Chemical belts of India
- ISO 9001-2000 Certified plants
- Environment friendly plants
- Ability to change product mix to suit market conditions
- Average capacity utilisation of plants is 85%

Meghmani is well placed to capitalize on the outsourcing opportunity



International Presence



Key Attributes

- Strong international presence~70% export sales, servicing 350+ customers in 58 countries worldwide
- Extensive network of overseas distributors
- Offices in the US and Europe
- Warehouses in Colombia, Belgium, UK, Russia, USA, Uruguay

Some of our key customers

SunChemical



MICRO FLO

Flint Ink



R&D Focus

Products in R&D Pipeline

Stage of Development	No. of products	
	Pigments	Agrochemicals
In Lab scale	5	4
In Pilot scale	5	1
Ready for commercial production	2	2
Total	12	7



Agrochemical Registrations

Status	No. of registrations	No. of countries
Obtained		
Overseas	90	39
India	96	-
In process	415	56

Leading to higher realizations and margins



Meghmani's Positioning – edge over competitors

Agrochemicals - Entry Barriers

- Agrochemicals markets are regulated, require registrations.
- High cost of new registrations - typical costs in US are ~ USD 1 mn & ~ INR 2.5 mn in India
- Takes about 1-3 years for obtaining new registrations.

Meghmani' strengths

- 90 registrations across 6 continents
- 415 registrations in pipeline across 56 countries
- Supply to major agrochemical companies worldwide
- Well known brands like Megastar, Megacyper

Pigments - Entry Barriers

- Pigment manufacturing process requires high degree of customization
- Rigorous and time consuming procedure of obtaining approvals from MNCs.
- Achieving attributes such as shade strength, consistency, require considerable expenditure

Meghmani' strengths

- Supply to major end users in the paints and inks market
- Well known brand - Meghafast
- Existing customers have a resistance to shift to other suppliers since it entails a long process

Meghmani possesses a competitive advantage in both its business segments



Other Highlights

❑ **Meghmani was listed on SGX in August 2004**



- ❑ Company won SIAS (Securities Investors' Association of Singapore) Investors' Choice Awards for the "Most Transparent Company" for 2 consecutive years



- ❑ It has also won awards like Niryat Shree award in Chemicals, Drugs, Pharma and Allied products - Non-SSI Category, from the Federation of Indian Export Organisations ("FIEO")
- ❑ Gujarat State Safety Award/Certificate 2005 for its Agrochemicals manufacturing facility at Ankleshwar from the Gujarat Safety Council.



Experienced & qualified Promoter Team

- ❑ **Mr. Jayanti Patel**, 55 years, is the Executive Chairman and one of the co-founders of Meghmani. He holds a Bachelors of Chemical Engineering and has more than 29 years experience in the dyes and pigments industry and more than 10 years of experience in the agrochemicals industry.
- ❑ **Mr. Ashish Soparkar**, 54 years, is the Managing Director and one of the co-founders of Meghmani. He holds a Bachelors of Chemical Engineering degree and has more than 29 years of experience in the dyes and pigments industry, and more than 10 years of experience in the agrochemicals industry. He was responsible for pioneering the export division of the Company .
- ❑ **Mr. Natwarlal Patel**, 53 years, is the Managing Director and one of the co-founders of Meghmani. He holds a Masters of Science degree and has more than 27 years of experience in the dyes and pigments industry and more than 13 years experience in the agrochemicals industry. He currently oversees the technical matters, international & domestic marketing of agrochemical division
- ❑ **Mr. Ramesh Patel**, 51 years, is the Executive Director and one of the co-founders of Meghmani. He holds a Bachelor of Arts degree and has more than 27 years of experience in the pigments industry and more than 13 years of experience in the agrochemicals industry.
- ❑ **Mr. Anand Patel**, 45 years, is the Executive Director and one of the co- founders of Meghmani. He holds a Bachelor of Science degree and has more than 20 years of experience in the pigments industry. He currently oversees the manufacturing of pigments as well as the domestic marketing of pigments.

Experienced Promoters with proven track record



Board of Directors (Excluding promoter directors)

Name	Designation	Key Details
Mr. Ashwin Raythatha	Executive Director (Intl. Mktg.)	Served as the General Manager of International Marketing at Mafatlal Industries
Mr. C. R. Shah	Director	Served as the President of the Gujarat Chamber of Commerce and Industry, Presently a member of the Secondary Market Advisory Committee of SEBI
Mr. B. T. Thakkar	Director	Practicing CA and sole proprietor of Balkrishna Thakkar & Co.
Mr. Jayaraman Vishwanathan	Director	Served as the Director and Head of Direct Investments in Jardine Fleming India Securities Ltd.
Mr. Pankaj Shah	Director	Served as Chairman & Chief Executive of Du Pont India Ltd.
Mr. Foo Meng Tong	Director	Served as the Ambassador in Paris, accredited to France and concurrently to Spain, Portugal, Switzerland and Israel
Mr. K. N. Venkatasubramanian	Additional Director	Was the Chairman of Indian Oil Corporation Limited

Esteemed Board of Directors with judicious mix of experience and independence



Growth Strategies (Pigments & Additives)

Expand production capability

Expand product range

Expand customer base

Outsourcing opportunities

- Well prepared to counter competition domestically with current scale of operations
- Expand existing range of high performance pigments & diversified products
 - Successfully commercialized: Pigment Green 36 & Pigment Blue 60
 - Under development: Pigments Red, Yellow and Orange
- Strengthen sales and marketing network of distributors, agents and dealers globally and in India
- Increase direct supplies from India to countries such as US, Europe, Central and South America for Pigments and Additives



Growth Strategies (Agrochemicals)

Expand sales

New product registrations

Expand production capability

Inorganic growth & strategic acquisitions

- Increase sales of branded formulations in retail segment
- 415 registrations in the pipeline at various stages to further strengthen the Group's growth plans
- Focus on building up of new product registration pipeline
- Increase degree of vertical integration
- In complementary businesses and products



Corporate Developments

□ India IPO updates

- Issue size: Rs 1,020 m (approx. S\$35.4 m)
- 20 April: Received comments for its Draft Red Herring Prospectus from SEBI for listing on NSE & BSE
- Entire pre-issue capital and the underlying Equity Shares issued to DBS Nominees will be under a lock-in period of one year
- This will not affect trading of SDS on the Singapore Stock Exchange
- SDS holders will have to wait for one year to have a two-way fungibility advantage
- SDS holders will not be in a position to trade Meghmani equity shares immediately after its listing on the Indian Stock Exchange



Issue Summary

Security:	Equity Shares of par value Re. 1 each	
Issue Size:	[.] Equity shares aggregating Rs. 1020 million	
Offer as a % to Post Issue Equity:	At Rs.17: 23.02%	At Rs.19: 21.11%
Issue Price	Rs 17 to 19 per Equity Share	
Post Issue Equity Capital:	At Rs.17: 2,60,630,000 Shares	At Rs.19: 2,54,314,211 Shares
Promoter/Promoter Group Holding	61.83% Pre-Issue	
	At Rs.17: 47.59% Post-Issue	At Rs.19: 48.77% Post-Issue
Objects of the Issue:	To finance setting of new High Performance Pigment Plant	
	Setting up Multipurpose Agro Chemicals Plant	
	Investment in subsidiary for setting up a 3 MW Captive Power Plant	
	Financing the requirements of funds for inorganic growth Opportunities/ diversified opportunities/ general corporate purpose	
Issue Structure:	QIB – 60%, Non-institutional – 10%, Retail – 30%	
Book Running Lead Managers:	Edelweiss Capital Limited and IL&FS Investsmart Limited	
Issue Dates	Opens on June 4, 2007 Closes on June 7, 2007	



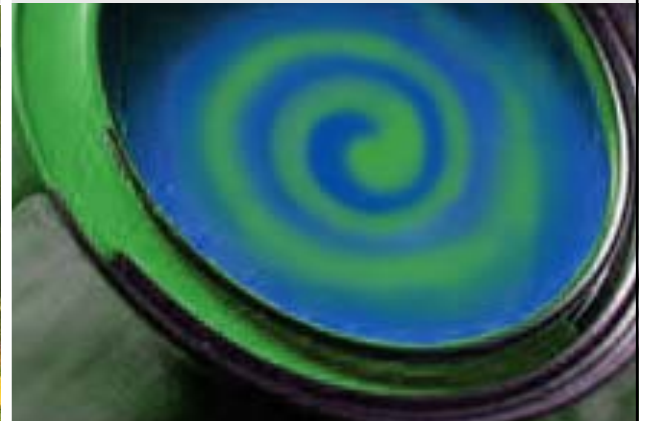
Objects of the Issue

Fund Requirements	Amount (Rs. In million)
Setting up of High Performance Pigment at Vatva	145.20
Setting up of a Technical Grade pesticide formulation plant at Panoli	114.20
Investment in subsidiary, Meghmani Energy Limited (in which a 3MW power plant would be setup)	144.10
Working Capital	349.00
Inorganic growth/diversification opportunities/general corporate purpose	[•]
Issue Expenditure	[•]
Total	1,020





FY 2007 Financial Results



Key Highlights for FY2007

Sales

... of **Rs4.7 billion**, +20.8%

**Gross
profit**

... of **Rs1.1 billion**, +10.2%

Net profit

... of **Rs406.0 million**, +15%

EPS

... of **Rs2.02**, +14.8%



Financial Highlights

In Rs millions	FY2007	FY2006	% Chg
Revenue	4,658.1	3,856.2	20.8
Gross Profit	1,087.5	985.7	10.3
Profit from ops	566.1	509.0	11.2
Profit before tax (PBT)	452.2	441.1	2.5
Income tax	(46.2)	(88.4)	(47.8)
Profit after tax (PAT)	406.1	352.7	15.1
Gross margin (%)	23.3	25.6	--
PBT margin (%)	9.7	11.4	--
PAT margin (%)	8.7	9.1	--
EPS (Rs)	2.02	1.76	14.8
Earnings per SDSs (Rs)	1.01	0.88	14.8

For conversion to SGD, please use an average exchange rate of S\$1: Rs28.86553 for Mar 2007



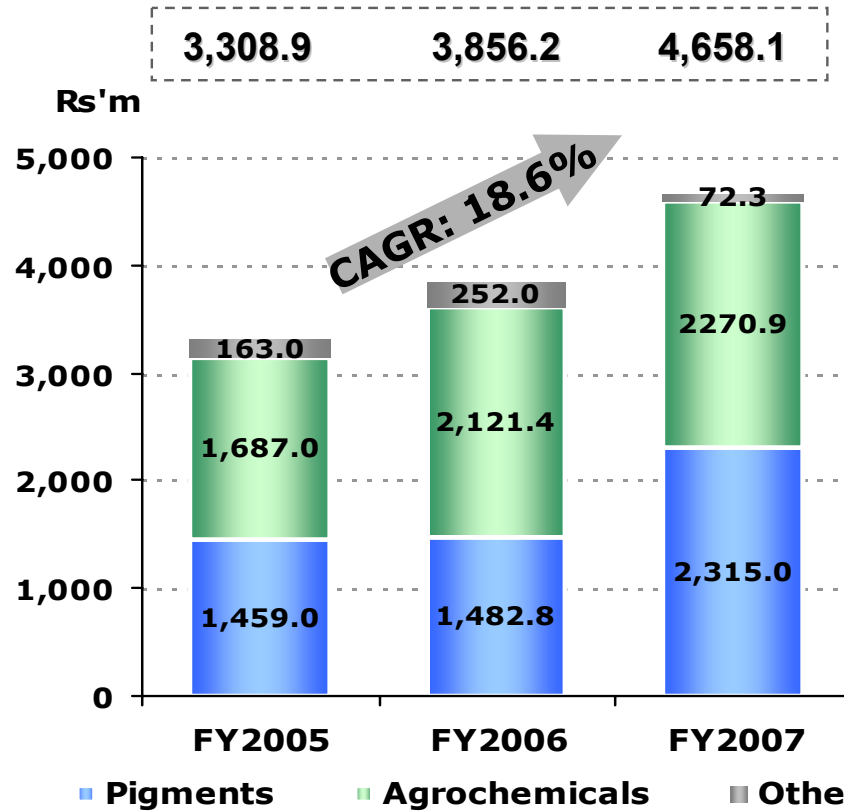
Balance Sheet Highlights

In Rs million	<u>FY2007</u>	<u>FY2006</u>
Trade receivables	1,850.8	1,545.1
Inventories	905.2	842.5
Cash & bank balances	82.5	57.3
Shareholders' equity	2,816.1	2,461.8
NTA per share	Rs13.98	Rs12.27
Inventory turnover	93 Days	107 Days
Debtors holding	145 days	146 Days

For conversion to SGD, please use an average exchange rate of S\$1: Rs28.86553 for Mar 2007



Revenue



**Include revenue from trading and sales by subsidiary*

Strong growth in Pigments from increase in customer base and increase sales for CPC, Alpha & Beta Blue

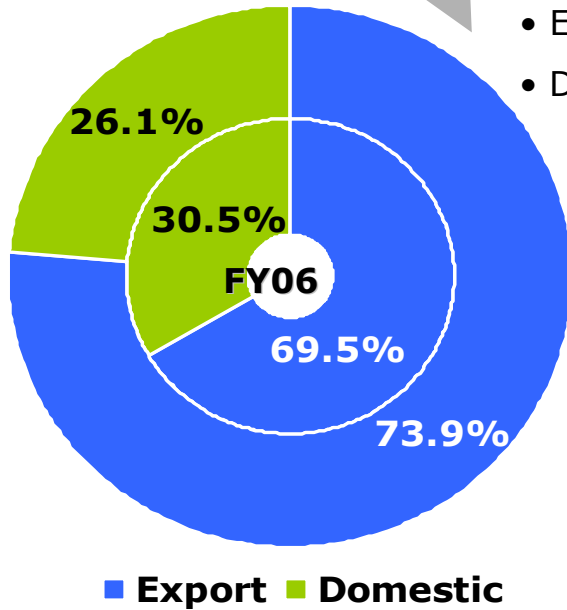


Revenue by Geographical Market

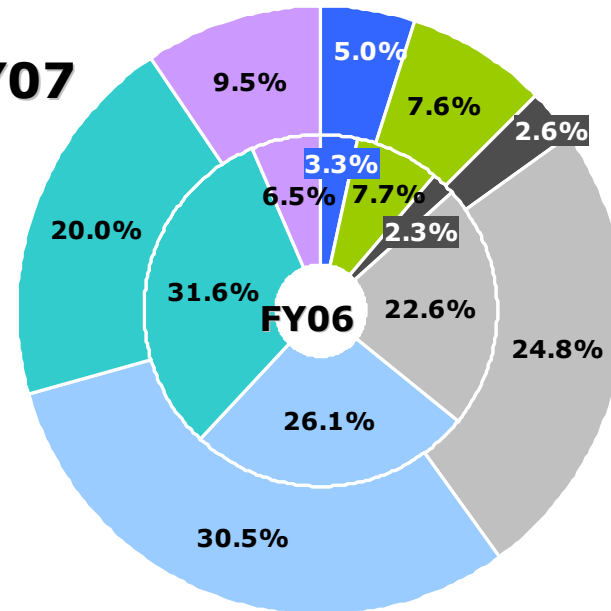
FY07

By Geographical Market

- Export sales +13.6% to Rs 3.2b
- Domestic sales +41.1% to Rs 1.4b



FY07



■ Africa

■ Asia

■ Australia

■ Europe

■ India

■ North America

■ South America

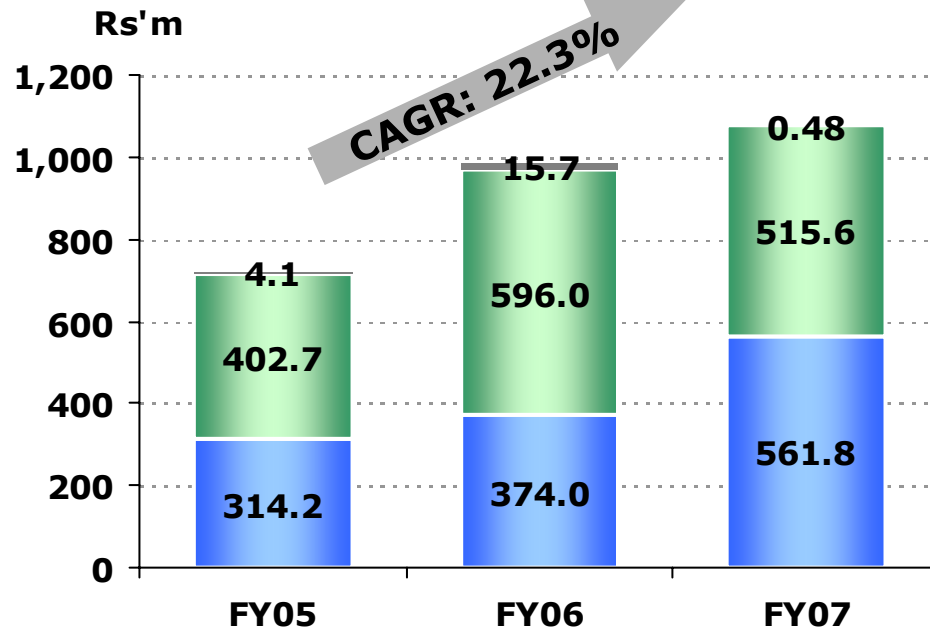


Gross Profit

721.0

985.7

1,077.9



Healthy profit contribution despite increased raw material costs and intense competition



Gross Margin Analysis

Gross Margin (%)	FY2007	FY2006	Chg (% pts)
Pigments	24.3	25.2	(3.6)
Agrochemicals	23.1	28.1	(17.8)
Total	23.3	25.6	(9.0)

- Pigments gross margins decreased:
 - Increase in raw material prices
- Agrochemicals gross margins declined:
 - Reduction in quantity sales
 - Less price realisation
 - Increase in cost of consumption of raw materials
 - Global warming effecting change in seasons and regulatory changes in USA



Cost Structure

In Rs'm

As % of revenue

	FY2007	FY2006	% Chg	FY2007	FY2006
COS	(3,570.6)	(2,870.5)	24.4	76.6	74.4
Distribution expenses	(409.8)	(359.6)	14.0	8.8	9.3
Admin. expenses	(154.2)	(145.7)	5.8	3.3	3.8
Other operating expenses	10.4	(26.8)	(138.8)	0.2	0.7
Finance cost	(115.4)	(68.0)	69.6	2.5	1.8

- Distribution costs increase arises from freight (marine) and cost of packing materials
- Finance costs increase due to higher utilisation of working capital on account of payment to creditors, increase in assets and increase in inventory & receivables





**Thank You
Q & As**

