MEGHMANI
ORGANICS LIMITED

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06/01/2014

1. The Asst. Vice President
   National Stock Exchange of India Limited
   "Exchange Plaza", Bandra-Kurla Complex,
   Bandra (East)
   Mumbai 400 051

Singapore Exchange Securities Trading Limited
Shenton Way,
SGX Tower 1,
Singapore

2. Mr. Marian Dsouza,
   Bombay Stock Exchange Limited
   Floor- 25, P J Tower,
   Dalal Street,
   Mumbai 400 001

Dear Sir/s

Sub:- Meghmani Finechem Limited – Subsidiary – Completes capacity expansion of Caustic Chlorine and Captive Power Plant at GIDC Dahej,

Meghmani Finechem Limited (MFL) is a subsidiary of Meghmani Organics Limited (MOL). MFL has completed Capacity expansion of Caustic Chlorine to 476 Ton Per day and Captive Power Plant to 60 Mega watts.

The detailed press release in this regard is enclosed herewith for information of the members.

We request you to take the same on record.

Thanking you.

Yours faithfully,
For Meghmani Organics Limited

Ashish Soparkar
Managing Director

MEGHMANI FINCECHEM LIMITED SUBSIDIARY OF MEGHMANI ORGANICS LIMITED COMPLETES CAPACITY EXPANSION OF CAUSTIC CHLORINE & CAPTIVE POWER PLANT AT GIDC DAHEJ

Meghmani Finechem Limited **(MFL),** is a subsidiary of Meghmani Organics Limited **(MOL).** MOL holds 57% of Equity Shares of MFL. The Caustic Chlorine plant is located at GIDC Dahej, Dahej, Bharuch, in South Gujarat.

MFL is using the latest 4th generation Membrane Cell Technology from Asahi Kasei Chemicals Corporation (AKCC) Japan, one of the most established technology providers for the manufacture of Chlor-alkali chemicals in the world.

MFL with a Caustic manufacturing capacity of 340 Ton Per Day **(TPD)** and facility of 40 megawatt **(MW)** captive power plant decided to increase its production capacity of Caustic Chlorine to 476 TPD and Captive Power plant to 60 MW.

CAPACITY EXPANSION:-

As utilities and support infrastructure were designed to operate the Caustic plant at 476 TPD MFL decided to increase the manufacturing capacity of Caustic Chlorine from 340 TPD to 476 TPD by purchasing certain additional balancing equipments.

To operate the plant at 476 TPD, it is necessary to increase the power plant capacity by 20 MW. Accordingly, MFL also planned to increase the Captive power plant capacity from 40 MW to 60 MW.

For the purpose, MFL raised the finance of Rs. 96.73 Crore by availing External Commercial Borrowing of US $ 15 Million (Rs. 69.10 Crores) from Standard Chartered Bank and the Balance amount of Rs. 27.63 Crore by way of issuing Equity shares on Right basis. The Washington-based International Finance Corporation (IFC), part of World Bank, has also supported the expansion project by subscribing to equity.

MFL Capacity expansion Project has been now completed and the Caustic Production capacity will reach to 476 TPD by Mid January, 2014. The Company has received the necessary Environment Clearance for the purpose.

Mr. Jayanti Patel, Chairman informed that MFL does not envisage any difficulty for marketing of Caustic Chlorine at increased production level.

Mr. Jayanti Patel added that Caustic and Chlorine Gas are an inseparable part of everyday lives and given their wide ranging applications in major end-consumer markets, demand for these two basic chemicals is steadily on the rise.

The caustic-chlorine chemicals are used in a multitude of industries including pigments, pesticides, production of metals and resource materials, pulp and paper, petroleum and natural gas extraction, manufacture of organic chemicals, plastics, industrial solvents, water treatment chemicals and pharmaceuticals. Due to their wide ranging applications across industries, demand for Caustic Soda and Chlorine Gas are increasing which would be catered by MFL to the extent from its production.

About Meghmani Organics Limited (Meghmani)

Established in Gujarat (India) in 1986, Meghmani is a manufacturer of Pigments and Agrochemicals. The Company specializes in the manufacture of green and blue pigment products that span multiple applications such as printing inks, plastics, paints, textiles, leather and rubber. Its pigment customers comprise mainly MNCs who are leading players in their respective industries.

Meghmani also produces a broad spectrum of commonly used pesticides for crop and non-crop applications such as public health, insect control in wood preservation and food grain storage. The Company counts amongst its customers leading pesticide manufacturers from North America, Europe, Latin America and Asia.

Over the years, Meghmani has rapidly expanded its geographical coverage from India to overseas markets in Europe, the US, Latin America and Asia Pacific. For the last financial year ended 31 March 2013, export sales accounted for about 59% of the Company's total revenue. Asia (excluding India) contributed about 11 % to the Company's revenue. The domestic market in India accounted for 41% while the North America and Europe contributed 24% and 10% respectively to the Company's revenue. The remaining contributions came from Meghmani's other markets in South America 9%, Australia 1% and Africa 4%).

Meghmani is listed on the main board of SGX – Singapore in 2004 and also on Bombay Stock Exchange and the National Stock Exchange in 2007.