



NEWS RELEASE

Meghmani Acquires Strategic 161-acre Site In Dahej As Part of Expansion Plan For Chemicals Business

- *Land acquired is close to the industrial area developed by the Gujarat Industrial Development Corporation (GIDC) to be the Special Economic Zone (SEZ) for chemicals and petrochemicals*
- *Group has plans to set up large scale basic chemical units in near future*

Singapore, 20 December 2006 — SGX Main Board-listed **Meghmani Organics Limited** ("Meghmani" or "the Group"), an India-based global manufacturer of pigments and agrochemicals, today announced that it has acquired a 161-acre (approximately 650,000 sq m) site in Dahej as part of the Group's expansion plan for its chemicals business.

Earmarked for one of the Group's upcoming projects, the Dahej site is located centrally between Ahmedabad and Mumbai, and is 40 km west on sea-side from Meghmani's Agrochemical facility in Ankleshwar.

Dahej is widely considered a strategic location for chemical and related industries for several reasons. These include :

- Dahej is a chemical port capable of handling gaseous, liquid and solid cargoes;
- easy accessibility to salt and other basic chemicals which are important for chemical manufacturing operations;
- plentiful availability of soft river water;
- the Indian government has identified part of Dahej as the SEZ for the chemicals and petrochemical sectors in the future. Although we are not within the SEZ per se, we expect good developments and business from the declared chemical SEZ;
- the availability of lignite/coal from a nearby village, Rajpardi, to install Captive Power Plant, an essential utility for basic chemical manufacturing. Importing coal is also an option for the power plant, which will be commissioned after the identification of the right project.

“We are excited with the successful acquisition of the highly prized Dahej site as this enables us to bring our chemicals business to its next level of growth. To date, we have already identified several projects which include the setting up of large-scale fine or basic chemicals units in the future,” said Mr Ashish Soparkar, Managing Director, Meghmani Organics Limited.

The total purchase consideration for the Dahej site amounts to Rs180 million (S\$6.21 million), and will be funded by short term loan/bank borrowings.

The investment is not expected to have a material impact on the earnings of Meghmani for the financial year ending 31 March 2007.

About Meghmani Organics Limited

Established in Gujarat (India) in 1986, Meghmani is a manufacturer of pigments and pesticides. 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 2006, export sales accounted for more than 74% of the Company’s total revenue. For the year ended March 31 2006 (“FY 2006”), Asia (excluding India) contributed to 8 % of the Company’s revenue. The domestic market in India accounted for 26% while the North America and Europe contributed 32% and 22% respectively to the Company’s revenue. The remaining contributions came from Meghmani’s other markets in Africa (3%), South America (7%), and Australia (2%).

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