



NEWS RELEASE

Meghmani ropes in IFC as strategic investor in its proposed environmental-friendly caustic chlorine project in India

- *IFC, a member of the World Bank Group, will invest INR461m and provide a long term loan of up to INR800m to Meghmani Finechem;*
- *IFC will also help to strengthen the project's technology and environmental-friendly operating standards*

SINGAPORE - 13 March 2008 - Meghmani Finechem Limited (MFL), a subsidiary of SGX Main Board-listed **Meghmani Organics Limited** ("Meghmani" or "Company"), an India-based global manufacturer of pigments and agrochemicals, has roped in **IFC**, a member of the World Bank Group, as a strategic investor for its chlor-alkali plant, which will employ environmental-friendly and energy efficient membrane cell technology.

The Company announced today that IFC will invest INR461 million, and provide a long term loan of up to INR800 million to **MFL**, to undertake the project. In addition to the equity investment and loan, IFC will also have the right to subscribe to warrants of up to INR50 million.

Speaking on the arrangement, **Mr Lance Crist**, IFC Manager for Chemicals, said, "With this funding, IFC will help Meghmani, an important player in the Pigment and Agrochemical industry, to achieve international standards in environmental and social performance. By installing a reverse osmosis system for reusing the water at the plant, MFL has committed to a more efficient use of water resources. We believe our support for the project will also help the company strengthen its technology and environmental-friendly operating standards."

Responding, Mr Ashish Soparkar, Director of Meghmani Finechem, says, “This IFC investment is a vote of confidence in the potential and viability of this project. They are uniquely positioned also to help us develop environmental, health, social and safety management systems and practices at the new plant”.

First announced in October last year, the project involves the development of a Caustic Chlorine Complex (CCP) in Dahej in Gujarat at an estimated cost of INR554 million (equivalent to S\$1203.85 million). This large-scale, company will produce caustic soda lye/flakes, chlorine gas and hydrogen gas in the first phase. Subsequent phases will involve downstream/derivative projects based on caustic/chlorine.

The complex is to utilize 4th generation Membrane Cell Technology from Asahi Kasei Chemicals Corporation of Japan, one of the most established technology providers for the manufacture of chlor-alkali chemicals in the world.

Meghmani sees the investment in this project as an opportunity for the Group to achieve inorganic growth in a diversified yet chemistry-related business with positive growth potential.

With its established track record in R&D capabilities gleaned from its years in the Pigments and Agrochemical industries, the Group is able to leverage on its excellent infrastructure for MFL such as its integrated manufacturing facilities, R&D laboratories and skilled work force.

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.

For Meghmani, MFL’s plant when ready will provide it with a ready and captive source of some of the basic chemicals as the Group consumes significant quantities of caustic soda, chlorine gas and derivatives of chlorine gas for its pigments and agrochemicals operations.

The proposed plant is coming up at Dahej, District Bharuch, in the State of Gujarat. Meghmani acquired the 161-acre (approximately 650,000 sq m) site in Dahej in December 2006.

Dahej is widely considered a strategic location for chemical and related industries as it is an approved Chemical Special Economic Zone with a high concentration of chemicals companies. It also has important infrastructure in place such as communications, effluent treatment, power and water/sanitation facilities.

In addition, Dahej possesses a chemical port which has jetties capable of handling gaseous, liquid and solid cargoes and is well-connected by rail, road and sea for easy transportation of raw materials and end products.

According to MFL, the commercial production of the first phase is targeted to commence by December 2008/January 2009. Phase 2 will comprise the production of derivative products with higher value-add.

About Meghmani Organics Limited

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 2007, export sales accounted for about 70% of the Company's total revenue. For the year ended 31 March 2007 ("FY 2007"), Asia (excluding India) contributed almost 8 % to the Company's revenue. The domestic market in India accounted for 30% while the North America and Europe contributed 20% and 25% respectively to the Company's revenue. The remaining contributions came from Meghmani's other markets in Africa (5%), South America (10%), and Australia.

In Singapore, where it is listed on the main board of SGX, it won the "Most transparent company award" for the last two consecutive years. Meghmani also successfully completed its secondary listing in India at the Bombay Stock Exchange and the National Stock Exchange.

About Meghmani Finechem Limited

Meghmani Finechem Limited, a subsidiary of Meghmani Organics Limited, was formed in 11 September, 2007 to diversify into the chlor-alkali business. The proposed Caustic Chlorine Complex will have the capacity of manufacturing 340 tons per day of caustic soda which implies an annual production of 1.13 lacs TPA of Caustic Soda. The Joint products are Chlorine Gas with a capacity of around 1 lacs TPA; Hydrogen Gas with a capacity of 258 iacs NM3; Diluted Sulphuric Acid with a capacity of 2600 TPA; Hydrochloric Acid with a capacity of 9970TPA; and Sodium Hypo Chloride with a capacity of 8300 TPA. Thus, while Caustic Soda is the main product, the other products are being produced as co-product or joint products in the process of manufacturing Caustic Soda. Out of these joint products, Chlorine Gas and Hydrogen are the key products.

About IFC

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that people should have the opportunity to escape poverty and improve their lives. In FY07, IFC committed \$8.2 billion and mobilized an additional \$3.9 billion through syndications and structured finance for 299 investments in 69 developing countries. IFC also provided advisory services in 97 countries. For more information, visit www.ifc.org.

CONTACT INFORMATION

August Consulting Tel: (65) 6733 8873 Fax: (65) 6733 9913 Winston CHOO – winston@august.com.sg Silvia HENG – silvia@august.com.sg	Meghmani Organics Limited Meghmani Finechem Limited Tel: 91-79-26640668 / 69 Fax: 91-79-26640670 Deval SOPARKAR – deval@meghmani.com
---	--