



Press Release

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Meghmani Organics Ltd. IPO opens June 4 , Price band fixed at Rs.17 to Rs.19.

MUMBAI, 24th May.2007: Meghmani Organics Limited ("Meghmani" or "the Company") engaged in the manufacture of Pigments and Agrochemicals, proposes to enter the capital markets with a public issue aggregating Rs.1020 million ("Issue") with a price band of Rs.17 to Rs.19 per equity share of Re.1 each. The Issue opens for subscription on June 4, 2007 and closes on June 7, 2007. IL&FS Investsmart Ltd. and Edelweiss Capital Ltd. are the Book Running Lead Managers (BRLMs) for the Issue.

The Issue is being made through 100% book building process wherein at least 60% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. If at least 60% of the Issue is not allotted to QIBs, then the entire application money will be refunded. Further, up to 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

The Company is a quality-oriented and research-focused organization with a diversified presence in pigments and agrochemicals, and offers a range of products catering to a diversified customer base. Within Pigments, the Company specializes in green and blue pigments, which have varied end use applications including printing inks, plastics, rubber, paints, textiles, leather and paper. Further Meghmani manufactures three broad categories of Agrochemical products, namely, pesticide intermediates, technical grade pesticides and pesticide formulations used in crop protection and non crop applications such as public health, termite and insect control and veterinary applications.

The Company has 4 manufacturing facilities located in the chemical belt of India and enjoys several benefits owing to its integrated multi-functional plants. These include a cost advantage over competitors due to the vertical integration of the production processes, multifunctional design of the production facilities and proximity to sources of raw materials supply. The Company holds about 90 registrations worldwide for its agrochemicals business and has 415 registrations pending in 56 countries worldwide. The Company enjoys an established reputation for the quality of its products, has a strong domestic and international distribution presence with over 70% of its revenues emanating from exports and has over 650 domestic distributors and servicing over 350 customers in 58 countries worldwide. The Company supplies its products to various multinationals including the Flint Group GMBH, Micro Flo Company LLC, Valent USA Corporation, Sun Chemicals, etc.

The Company's pesticide formulations sold under brands such as Megastar, Megacyper, Courage and Proven are recognized brands in the Indian market. The Meghafast brand is also a recognized brand name with multinational pigment consumers.

The Company's Depository Shares are listed on the Singapore Exchange Securities Trading Limited where it has secured the SIAS (Securities Investors' Association of Singapore) Investors' Choice Awards for the 'Most Transparent Company' for two consecutive years.

The objects of the Issue are to finance the setting up of a new high performance pigment plant at Vatva, Ahmedabad and a multi-purpose agro-chemicals plant at Panoli. Further the Company would use the Issue proceeds to invest in its subsidiary, Meghmani Energy Limited to finance the 3 MW captive power plant to be located at Chharodi, inorganic growth/ diversification opportunities and working capital requirements.

Meghmani is a profitable company since inception. Its revenues have grown from Rs.1,772.70 million in FY2002 to Rs.3,891.61 million in FY2006 at a CAGR of 17.03 % and net profits have increased from Rs.235.19 mn in FY2002 to Rs.383.38 million in FY2006 at a CAGR of 10.26 %. The revenues for the nine months ending December 2006 are Rs.3,553.4 million and net profit after tax is Rs.320.77 million.

Note:

Meghmani Organics Limited is proposing, subject to market conditions and other considerations, a public offer of its equity shares and has filed a Red Herring Prospectus with the Registrar of Companies, Gujarat. The Red Herring Prospectus is available on the website of the Securities and Exchange Board of India (SEBI) at www.sebi.gov.in and at the website of BRLMs at www.edelcap.com and www.investsmartindia.com. Investors should note that investment in Equity Shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" of the aforementioned Red Herring Prospectus before making an investment decision.

This press release does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Equity Shares, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

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