

Ref: MOL/2022-23/74

January 23, 2022

To National Stock Exchange of India Limited “Exchange Plaza”, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 SYMBOL:- MOL	BSE Limited Floor- 25, P J Tower, Dalal Street, Mumbai 400 001 Scrip Code:- 543331
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Dear Sir,

Sub: Press Release on Q3/9M FY2023 Financial Results

In accordance with the requirement of Regulation 30 of the SEBI(LODR) Regulations, 2015, we submit herewith press release on Q3/9M FY2023 Financial Results of the Company.

You are requested to take the same on your record and disseminate to the members.

Thanking you,

Yours faithfully,

For, Meghmani Organics Limited
(Formerly known as Meghmani Organochem Limited)

Jayesh Patel
Company Secretary & Compliance Officer
ICSI M. No: A14898

Encl: As Above

MEGHMANI ORGANICS LIMITED

Ahmedabad, 23 January 2023: Meghmani Organics Limited (BSE: 543331, NSE: MEGH), a publicly listed chemical company announced its financial results for the quarter and nine-months ended 31 December 2022.

Financial Results at Glance:

Particulars (Rs. Million)	Q3FY23	Q3FY22	YoY %	9MFY23	9MFY22	YoY %	FY22
Revenue from Operations	554	639	-13%	1,992	1,681	18.5%	2,494
EBITDA	61	77	-21%	280	243	16%	379
EBIDTA Margin	11%	12%		14%	14%		15%
Net Profit	18	68	-74%	205	201	2%	308
Net Profit Margin	3%	11%		10%	12%		12%
EPS	0.70	2.67		8.07	7.90		12.11

- During this quarter, the company could achieve a revenue of Rs.554 crore and Rs 1992 Cr for 9M FY23. EBITDA margins achieved 11% for Q3 and 14% for 9MFY23. The dip in performance in pigments was offset by agrochemicals.
- **Agrochemicals**, constitutes 75% of the overall company's revenue. During this quarter, the company was able to maintain EBITDA margins of 19.2% (against 17.5% in Q3FY22) despite adverse global macro challenges. The company is well positioned to benefit from 'China plus one' strategy of global players coupled with capex plans eyeing on new molecules in agrochemicals.
- **Pigments** constitutes 25% of the overall company's revenue. Currently pigment is witnessing slow export demand and contraction in prices due to challenging global macro environment. During the quarter pigment performance has been adversely impacted due to liquidation of high-cost inventory. We expect the recovery in the demand in the pigment division in the next few quarters.
- **Insurance Claim:** The company has estimated total loss of Rs 44 Crore due to fire in finished goods godown in one of the pigment plant at Dahej. The company has adequate insurance cover. During the quarter company has recognised loss of Rs. 39.85 Crore on account of loss of assets and has also recognised corresponding insurance claim. Balance Rs 4 Crore loss has been accounted for during the quarter as per policy provisions.
- **Finance Cost:** The company maintains prudent risk management policy; 85% of the revenue comes from exports of which 60-65% of foreign currency exposure is covered by the way of natural hedge in the form of imports, forward cover and borrowing in foreign currency. During the quarter there was a huge volatility in currency movement which has led to MTM gain on receivables and MTM loss on foreign currency borrowing. As per accounting standard requirements, MTM gain of INR 73 crore on receivables has been shown as other income. MTM loss on foreign currency borrowing INR 38 crore has been accounted as finance cost. Out of INR 38 crore MTM loss, INR 35 crore is unrealised MTM loss. During the Q3 FY23, there is net foreign currency loss of INR 19 crore while for 9M period there is a net foreign currency gain of INR 35 crore. Borrowing cost net of foreign currency impact is Rs 5.4 Cr for Q3 and Rs 11.7 Cr for 9MFY23

Commenting on this quarter's performance, Mr. Ankit Patel, CEO said "the commercial production of the agrochemicals new Multi Product Plant was commenced in Q3 FY23 and plant is getting stabilised. It will add meaningful contribution from the next financial year. During the quarter, the company has entered into long term supply contract for 5 years with reputed Multinational Customer for its Agro Products. Total value of the contract is approximately Rs. 800 Cr. Also, the company shall foray into Nano Urea (Liquid) fertilizer through our wholly owned subsidiary Meghmani Crop Nutrition Ltd (MCNL) for which the company will incur a capex of INR 150 crores for setting up the plant in Gujarat with annual capacity of 5 crore bottles (~500 ml) per year. The plant will commence commercial production from Q4FY24. MNCL aims to achieve a topline of INR 1,000 crores on an annualized basis. One of the essential developments is that on the pigment side, the Phase 1 of the Titanium Dioxide plant with 16,500 tons capacity was commissioned on 18th January 2023. The team is working towards stabilizing the plant and the Phase 2 capex plan of doubling TiO2 capacity to 33,000 tons p.a. along with captive power plant is expected to be completed in Q3 FY24 at capex of Rs.375 crore".

We are confident about the long-term goals for both business verticals and our competent human capital is swiftly moving towards to materialize the company's long-term goals. The company continues to delight its esteemed clients with a diversified product portfolio and quality products.

About Meghmani Organics Limited:

Meghmani Organics Ltd. (MOL) is amongst the leading diversified chemicals company with a presence in the Pigments and Agrochemicals business. MOL is amongst the top three global Phthalocyanine based pigment players enjoying a 14% market share. The Company is amongst the top-10 manufacturers of pesticides in India with a presence across the entire value chain. MOL has 36+ brands of various pesticides formulations in India. The Company has 400+ customer base in Pigments & Agrochemicals across diverse industries. MOL has a wide distribution network of 3,000 + distributors and dealers across India. The Company garners ~80% of its topline from the export markets as on FY22. For more information, please visit: www.meghmani.com.

For Further details, please get in touch with:

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Cautionary Statement:

This press release contains certain forward-looking statements. Any forward-looking statement applies only on the date of this press release. By their nature, forward looking statements are subject to several known and unknown risks and uncertainties that may or may not occur in the future and as a result of which the actual results and performance may differ substantially from the expected future results or performance expressed or implied in the forward - looking statements. No warranties or representations are made as to the accuracy, achievement, or reasonableness of such statements, estimates or projections, and Meghmani Organics Limited has no obligation to update any such information or to correct any inaccuracies herein or omission here from which may become apparent.