



Contents

02-31

Company Overview

- 02 Amplifying value across the operating canvas
- 04 Fostering sustainable solutions, globally
- 06 Our evolution through the decades
- 08 Chairman's message
- 10 Our basket of diverse and innovative solutions
- 14 Nurturing our diverse talent pool
- 17 Driving innovation excellence
- 19 Adopting prudent strategies
- 23 Ensuring a sustainable future for all
- 25 Being a responsible social steward
- 26 Ensuring transparent and ethical operations
- 27 Board of Directors
- 28 The Independent Directors
- 29 Award of Excellence
- 30 Corporate Information

32-113

Statutory Reports

- 32 Management Discussion and Analysis
- 42 Directors' Report
- 54 Corporate Governance Report
- 83 Business Responsibility and Sustainability Reporting

114-297

Financial Statements

- 114 Standalone Independent Auditor's Report
- 124 Standalone Financial Statements
- 200 Consolidated Independent Auditor's Report
- 208 Consolidated Financial Statements
- 286 Notice of Annual General Meeting



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Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.





Innovation, agile adoption of new technologies and forays into new business segments and geographies have always been the major facilitators of value creation at Meghmani Organics.

In FY23, the Indian chemical industry was impacted by several macroeconomic factors including geopolitical concerns, inflationary pressure in major economies, rising raw material prices and contraction in demand. Despite these short term challenges, we at Meghmani Organics remained focused on expanding our capabilities and capacity.

Our unwavering ambition is to ascend even higher, solidifying our market position with resolute determination. In line with this strategic pursuit, we have strategically expanded our horizons into the realm of White Pigment, Titanium Dioxide (TiO₂). By acquiring Kilburn Chemicals Limited, we have unlocked a gateway to the next phase of exponential growth in the pigments segment. This bold move not only fortifies our presence but also amplifies our impact, marking a significant milestone in our strategic journey.

At Meghmani Organics, we aim to create value for all our stakeholders not only through our products but by striking a balance between our sustainability priorities and our business. We take initiatives that have a positive impact on people and the environment, while also enriching the lives of our stakeholders.

As we embark on our ambitious expansion journey, we steadfastly uphold our commitment to generate enduring value for our clients, teams, shareholders, partners, and the communities we operate in, all while prioritizing sustainability.

Amplifying value across the operating canvas

Meghmani Organics, one of the leading firms in the chemical sector, is a fully integrated diversified chemical company with a global presence and varied product range.

With over three decades of experience in the agro-chemical industry, we have been delivering high-quality products to our customers consistently.

Our manufacturing facilities, located in Gujarat, India, are equipped with modern technology and adhere to international standards of quality and safety. We have a highly skilled team of professionals who are dedicated to ensuring the highest level of quality and safety in our operations.

Our agrochemical portfolio comprises intermediates, technical products, and formulations of pesticides and herbicides used in crop protection, veterinary medicine, public health, and wood protection. We also specialise in the production of pigments such as Phthalocyanine pigments and Azo pigments which are used in printing inks, paints and coatings and plastic.

We endeavour to provide exceptional goods and services to retain the highest level of client satisfaction. Our clients are located all over the world, and we have a significant presence in international markets. We are committed to continuous improvement and innovation, and we invest heavily in research and development in order to bring improved and sustainable products to the market.



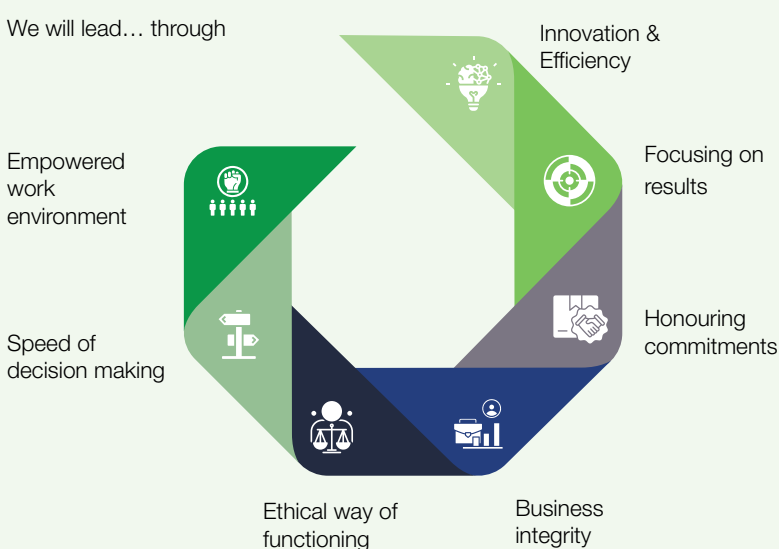
Vision

To constantly endeavour to create a sustainable position as one of the leading and diversified chemical companies with a strong manufacturing base in 'Organic Chemistry' aiming for global presence with worldwide product acceptability.

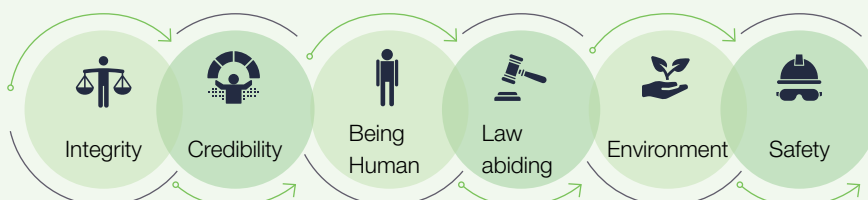


Mission

We will lead... through



Values



Key Highlights

35+ Years

Experience in Chemical Industry

400+

Marquee customers for agro-chemical and pigment business

#1

Ranked by Fortune India under Fortune Next 500 Company

Vertically integrated facilities

For key products

3,500+

Distributors in India

Accreditation of Responsible Care®

(Our commitment to sustainability) to Agro Division

90+

Countries of presence

36+ brands

Of various pesticides formulations in India

3rd Largest

Producer of copper phthalocyanine blue globally



Fostering sustainable solutions, globally

We have a presence in more than 75 nations and serve over 400 customers across all business segments. Our global distribution network consists of subsidiaries in the U.S, and Brazil and a representative office in China.

In India, we have eight well-integrated manufacturing facilities in Gujarat.



Registered Office



Manufacturing Facilities



Subsidiaries





Our evolution through the decades

1986

Started Partnership Firm to manufacture Pigment Green 7 (Phthalocyanine Green 7) at Vatva

1995

Set up Agrochemicals manufacturing plant at Chharodi

1996

Set up a Pigments manufacturing plant at Panoli

2021

2,4 D Herbicides capacity increased from 10,800 TPA to 21,600 TPA. Commissioned New Formulation Plant.

2020

Expansion in Agro division- Doubling the capacity of 2,4D Herbicides to 21,600 TPA and New Formulation Plant Setting up a new Multipurpose Plant at Dahej

2017

GLP Accredited Lab and expansion of R & D facility

2022

Forays into new pigment Titanium Dioxide (TiO₂) by the acquisition of Kilburn Chemicals Limited. (wholly owned subsidiary)

2003

Acquired Agrochemicals Plant at GIDC Ankleshwar

2004

Listing of Equity Shares on Singapore Exchange through Depository Mechanism

2007

Listing of Equity Shares on NSE and BSE

2013

Set up Pigment manufacturing facilities at Dahej SEZ Limited

2009

Acquired Agrochemical Formulation Plant at GIDC Panoli. Set up Agrochemical manufacturing facilities at GIDC Dahej

2008

Incorporated Meghmani Finechem Limited (MFL) to set up a Caustic Chlorine Plant at Dahej

2023

- Commissioned new Multi Purpose Plant(MPP) in Agro Division for producing new age high value products.
- Accredited with Responsible Care® certification by Indian Chemical Council, apex industry body representing chemical industry in India pursuing “Responsible Care Programme”

Chairman's message



Jayanti Patel
Executive Chairman

Dear Shareholders,

It gives me immense pleasure to present the annual report of Meghmani Organics for the year FY23. Ranked as #1 Fortune Next 500 Company by Fortune India, we are striking a perfect balance between meeting our business objectives along with being good stewards of environment and sustainability. We prioritize meeting the demands of our customers, prospects and stakeholders and building an eco-friendly brand for our business.

Macro overview

This year has been a challenging year for the Indian chemical industry, which has been impacted by a multitude of global macroeconomic factors. These include geopolitical concerns, inflationary

pressures, volatile raw material prices, and contraction in demand.

Despite these headwinds, I am delighted to say that Meghmani Organics has weathered the storm and continued to deliver robust performance. We have maintained our focus on operational efficiency, diversifying product portfolio and quality products, which has helped us navigate these turbulent times.

The subdued environment is expected to continue in the upcoming quarter, but we are optimistic about the future. We are already seeing decline in raw material prices and logistic costs, which will have a positive impact on our production and operation going forward in the upcoming quarters.

It is important to note that the entire industry is facing a pile-up of high-cost inventory due to oversupply situations in the marketplace. This has put pressure on the revenue as well as margin across chemical companies. However, we believe that the situation will improve going forward, and we remain committed to our long-term growth strategy.

Sustainable growth

In FY23, our revenue increased by 2.5% to ₹ 2557 crores, and our EBITDA reached ₹ 364 crores with a margin of 14.2%. The pigment segment had a negative impact on the margin, but this was partially offset by the agrochemicals division. Our focus is on improving margins across all business segments.

Our net profit for the year was ₹ 250 crores, demonstrating the strength of our business model. As of March 31st, 2023, our cash balance & short term investments on the balance sheet amounted to ₹ 59 crores. Despite ongoing capital expenditure (CAPEX), we have consistently maintained a debt to equity ratio below 0.5, which is satisfying.

Our return ratios, specifically ROCE and ROE, were approximately 13% and 16%, respectively, for the year. These ratios underscore our strong operational performance and efficient capital utilization.

We prioritize continuous improvement in our operations to ensure sustainability. By aligning our product offerings with market demand, we have achieved positive outcomes, establishing ourselves as a reliable supplier for our clients. We adapt our strategy based on demand, pursuing backward integration.

Segment-wise overview

Our agrochemicals business constitutes approximately 76% of the revenue and we remain as one of the leading Agro-Chemical manufacturers with strong presence in India and export market. We are able to derive value from this segment through our constant endeavour to deliver a better product.