



# **35th Annual Report 2016-2017**

**MANGALAM ORGANICS LIMITED**  
(Formerly Dujodwala Products Ltd.)



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**Mangalam**  
Organics Limited

[info@mangalamorganics.com](mailto:info@mangalamorganics.com)

[www.mangalamorganics.com](http://www.mangalamorganics.com)

+91 22 49204089

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Preserves Clothes



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**Board of Directors**

Mr. Kamalkumar Dujodwala	Chairman
Mr. Pannkaj Dujodwala	Managing Director
Mr. Rajkumar Saraf*	Director
Mr. S. N. Baheti**	Director
Mr. Rajkumar Jatia	Director
Mr. Sharad Saraf	Director
Mrs. Anita Shriya	Director

\* Resigned with effect from 19<sup>th</sup> July, 2017

\*\* Joined the Board on 14<sup>th</sup> August, 2017

**Chief Financial Officer** Mr. Shrirang V. Rajule

**Company Secretary** Mr. Ankur Gala

**Auditors:**

NGST & Associates

(Chartered Accountants)

1111/11<sup>th</sup> Floor, Ghanshyam Enclave,

Lalji Pada, Police Chowky, Link Road,

Kandivali (W), Mumbai -400067.

**Cost Auditor** M/s. NKJ & Associates

**Bankers:**

The Saraswat Co-operative Bank Ltd (Scheduled Bank)

SME Nariman Point, A wing, 1<sup>st</sup> Floor, Mittal Court,

Mumbai – 400 021.

**Audit Committee:**

Mr. Sharad Saraf

Mr. Rajkumar Saraf\*

Mr. Kamalkumar Dujodwala

Mrs. Anita Shriya\*\*

(\* Resigned with effect from 19<sup>th</sup> July, 2017)

(\*\* Appointed as a member of the audit committee on 19th July, 2017)

**Registrar and Transfer Agent:**

Universal Capital Securities Private Limited

21, Shakil Niwas, Opp. Satya Saibaba Temple,

Mahakali Caves Road, Andheri (E),

Mumbai – 400 093.

**Registered Office & Plant Location**

Kumbhivali Village, Savroli Kharpada Road,

Taluka – Khalapur, Khopoli – 410 202.

District Raigad (M.S.). Tel: 02192-276140

**Email:** [info@mangalamorganics.com](mailto:info@mangalamorganics.com) **Website:** [www.mangalamorganics.com](http://www.mangalamorganics.com)

CIN : L24110MH1981PLC024742

**Administrative Office**

812, Tulsiani Chambers

Nariman Point,

Mumbai – 400 021.

[As a measure of economy, copies of the Annual Report will not be distributed at the meeting and therefore members are requested to bring their copies of the Annual Report at the meeting]



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## **NOTICE**

### **Mangalam Organics Limited**

Registered Office : Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli,  
Dist: Raigad (Maharashtra) Tel No. 02192-276140, **CIN:L24110MH1981PLCO24742**  
Website : [www.mangalamorganics.com](http://www.mangalamorganics.com) Email : [info@mangalamorganics.com](mailto:info@mangalamorganics.com),

Notice is hereby given that 35<sup>th</sup> Annual General Meeting of the members of MANGALAM ORGANICS LIMITED (the “Company”) will be held at the Registered Office of the Company at Kumbhivali Village, Savroli Kharpada Road, Taluka–Khalapur, Khopoli, Dist: Raigad (Maharashtra) on Tuesday, 26<sup>th</sup> September, 2017 at 10.00 a.m. to transact the following business:

#### **ORDINARY BUSIENSS:**

1. To receive, consider and adopt the Audited Balance sheet as at 31<sup>st</sup> March, 2017 and the statement of Profit and Loss for the year ended on that date together with the reports of the Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Kamal Dujodwala who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rules (including any statutory modification (s) or re-enactment(s) thereof for the time being in force), ratification of the appointment of M/s. NGST & Associates Chartered Accountants, (Firm Registration No. 135159W) as Statutory Auditors of the Company from the conclusion of this meeting up to the conclusion of the 36<sup>th</sup> Annual General Meeting, being the second consecutive year out of their term of five consecutive years as approved at the 34<sup>th</sup> Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company, be and is hereby ratified”.

#### **Special Business:**

4. To consider and to pass the following resolution as a Ordinary Resolution:  
**“RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and Companies (Cost Records and Audit ) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), payment of Remuneration of Rs. 50,000/- (Rupees Fifty Thousand) including reimbursement of out of pocket expenses incurred for the purpose of Audit) to Mr. Naresh Jethwani, Cost Auditor (Membership No.18869) for conducting the Audit of Cost Records relating to the Chemical Products manufactured by the Company for the year 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 be and is hereby approved and ratified.
5. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:  
**“RESOLVED THAT** pursuant to provisions of Section 197 & 198 and any other applicable provisions if any, of the Companies Act, 2013 and the rules made there under ( including any statutory modification(s) from time

to time or any re-enactment thereof for the time being in force) read with schedule V to the said Act, consent of the members of the Company be and is hereby accorded for payment of remuneration of Rs. 36,00,000/- per annum to Mr. Kamalkumar Dujodwala as a Director of the Company with effect from 1<sup>st</sup> May, 2017.

**RESOVLED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate as specified above and subject to the receipt of requisite approvals, if any.”

6. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 196, 197, 198, 203 and any other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder ( including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with schedule V to the said Act, consent of the members of the Company be and is hereby accorded for payment of remuneration of Rs. 36,00,000/- per annum to Mr. Pannkaj Dujodwala as Managing Director of the Company with effect from 1st May, 2017 for remainder of duration of appointment up to 12<sup>th</sup> August, 2020.

**RESOVLED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate as specified above and subject to receipt of requisite approvals, if any.”

7. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“**RESOVLED THAT** Mr. S. N. Baheti (holding DIN No. 01760198) who was appointed as an Additional Director of the Company by the Board with effect from 14<sup>th</sup> August, 2017 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office as an Independent Director of the Company to hold office for Five consecutive years.”

**For and on behalf of the Board of Directors**

**Sd/-**

**Kamalkumar Dujodwala  
Chairman**

Place : Mumbai

Date : 14<sup>th</sup> August, 2017.

Corporate Identification Number  
L24110MH1981PLC024742

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## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF. A proxy need not be a member of the Company. The instrument appointing the Proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of the AGM. Proxies submitted on behalf of the Companies etc must be supported by an appropriate resolution / authority as applicable. Pursuant to the provision of Section 105 of the Companies Act, 2013 a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the company provided that such person shall not act as a proxy for any other person.
2. Shareholders are requested to bring their copy of Annual Report to the meeting.
3. Members / proxies should fill the Attendance slip for attending the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at registered office of the Company on all working days, except Saturdays and Sundays up to the date of Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will be closed from 20th September, 2017 to 26th September, 2017 (both inclusive).
8. The members are requested to :
  - a. Intimate to the Company's Registrar and Share Transfer Agents M/s. Universal Securities (India) Pvt. Ltd (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank Account detail etc. at an early date.
  - b. Quote ledger folio numbers / DP identity and Client Identity numbers in all their correspondences;
  - c. Approach the Company for consolidation of folios, if shareholdings are under multiple folios.
  - d. Get the shares transferred in joint names, if they are held in single name to avoid inconvenience.
  - e. Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting.
  - f. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as

to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.

9. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Consequent upon the introduction of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH 13 (which will be made available on request) to the Registrar and Transfer Agents, M/s. Universal Securities (India) Private Limited.
11. The Equity Shares of The Company are listed on the BSE. The Listing fee has been paid up to date.
12. Members who have not registered their e-mail addresses so far are required to register their e-mail address for receiving all communications including Annual Report, notices etc from the company electronically.
13. Information for Shareholders relating to E-voting is as under:
  - (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
  - (ii) The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - (iii) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
  - (iv) The Board of Directors of the Company has appointed Mr. Yogesh Sharma, Practicing Company Secretary Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent matter and he has communicated his willingness to be appointed and will be available for same purpose.
14. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 23<sup>rd</sup> September, 2017 (IST 9.00 a.m.) and ends on 25<sup>th</sup> September, 2017 (IST 5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as Sr. No. affixed on Annual Report, in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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## ANNEXURE TO NOTICE

### **Explanatory Statement as required by Section 102 of the Companies Act, 2013**

In conformity with the provisions of section 102 of the Companies, 2013, the following Explanatory statement sets out all material facts in respect of item numbers 4 to 7:

#### **In respect of Item No. 4**

In accordance with the provisions of Section 148 (2) and 148 (3) read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for audit of Chemicals manufactured by the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of Mr. Naresh Jethwani, as the Cost Auditor for Cost Audit of Chemicals for the year 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 on a remuneration of Rs.50,000/- (Rupees Fifty Thousand only) inclusive of reimbursement of out of pocket subject to approval of remuneration by the members.

Section 148(3) read with Rule 14 of the Companies (Cost Records and Audit) Rules, 2014 prescribes that the remuneration of the Cost Auditor shall be ratified by the Shareholders. Accordingly, this Ordinary Resolution is proposed for ratification by the members.

The Board of Directors recommend passing of the Ordinary Resolution at item number 4 of the notice.

None of the Directors, key managerial personnel and /or their relatives is concerned or interested in the Resolution

#### **In respect of item No. 5**

The Nomination and remuneration Committee, in its meeting held on 5<sup>th</sup> May, 2017 recommended and the Board of Directors, in its meeting held on 6<sup>th</sup> May, 2017 approved the payment of remuneration of Rs. 36,00,000/- p.a. subject to the approval of shareholders in the ensuing Annual General Meeting of the Company.

Mr. Kamalkumar Dujodwala is a Director of the Company and is actively involved in the areas of category of management, operations, administration and various other areas related to the Company.

The increase in the payment of remuneration was approved by the Board based on industry standards and responsibilities handled by Mr. Kamalkumar Dujodwala Directors of the Company.

Approval of the shareholder is sought for ratification of remuneration paid / payable from 1<sup>st</sup> May, 2017 to Mr. Kamalkumar Dujodwala Director of the Company.

Mr. Kamalkumar Dujodwala shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Kamalkumar Dujodwala under the resolution.

With his vast experience, the Board of Directors considered it to be desirable to approve remuneration payable to him as a Director of the Company.

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution.

None of the Directors except Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala is concerned or interested in the resolution.

#### **In respect of item No. 6**

The Nomination and remuneration Committee, in its meeting held on 5<sup>th</sup> May, 2017 recommended and the Board of Directors, in its meeting held on 6<sup>th</sup> May, 2017 approved for payment of remuneration of Rs. 36,00,000/- p.a. subject to the approval of shareholder in the ensuing Annual General Meeting.

Mr. Pannkaj Dujodwala is a Commerce graduate, MBA from London. He is the Managing Director of the Company and is actively involved in the areas of category of operations and information technology.

The increase in the payment of remuneration was approved by the Board based on industry standards and responsibilities handled by the Managing Director of the Company.



Approval of the shareholders is sought for ratification of remuneration paid / payable for the remaining period of existing appointment from 1<sup>st</sup> May, 2017 to Mr. Pannkaj Dujodwala Managing Director of the Company.

Mr. Pannkaj Dujodwala shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Pannkaj Dujodwala under the resolution.

With his vast experience, the Board of Directors considered it to be desirable to approve remuneration payable to him for his current tenure of appointment as Managing Director.

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution

None of the Directors except Mr. Pannkaj Dujodwala and Kamalkumar Dujodwala, are concerned or interested in the resolution.

**item No. 7**

The Board of Directors in their meeting dated 14<sup>th</sup> August, 2017 appointed Shri S.N. Baheti as an Additional Director in the category of Non Executive Independent Director of the Company.

As per Section 161(1) of the Companies Act, 2013 Shri. S. N. Baheti holds office upto the date of the Annual General Meeting of the Company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri S. N. Baheti is proposed to be appointed as an Independent Director for a term of five consecutive years upto the conclusion of 40<sup>th</sup> Annual General Meeting of the Company in the calendar year 2022. A notice has been received from a member proposing Shri S. N. Baheti as a candidate for the office of Director of the Company.

In our opinion Shri S. N. Baheti fulfills the conditions specified in the Companies Act, 2013 and the rules made there under for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Shri S. N. Baheti as an independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays and Sundays.

Accordingly, Board recommends the resolution in relation to appointment of Shri S. N. Baheti as an Independent Director for the approval by the shareholders of the Company

Except Shri S. N. Baheti being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out in item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the listing agreement with Stock Exchange.

**Details of Directors retiring by rotation :**

Name of the Director	Kamalkumar Dujodwala
Date of Appointment	03.07.1981
Date of Birth	01.04.1951
Expertise in specific functional areas	Chemicals
Qualifications	B. Sc. Graduate
Directorship held in other Public Companies (excluding foreign Companies)	6
Membership/Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/Investors' Grievance Committee)	1
Shareholdings in the Company	1000

## **DIRECTORS' REPORT**

To,  
The Members

Your Directors have pleasure in presenting their Thirty Fifth Annual Report together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2017.

**FINANCIAL RESULT:** The summarized financial results of the Company for the year ended 31<sup>st</sup> March, 2017 are presented below:

	2016-2017 Rupees in Lacs	2015-2016 Rupees in Lacs
Gross Sales including other Income	19737.41	21981.62
Add: Excise Duty Refund	0.00	0.00
Gross Profit before interest, Depreciation and Taxation	1263.42	443.63
Interest	446.34	644.42
Depreciation	529.69	530.10
Provision for Taxation	90.00	0.00
Less: MAT Credit	0.00	0.00
Deferred Tax (Income) / Expenses	279.85	-303.22
Tax Adjustment of earlier year	0.00	0.00
Net Profit for the year	477.24	-1034.11
Surplus brought forward from previous year	2276.20	3310.31
Balance Available for Appropriation	2753.44	2276.20
Appropriations		
a) General Reserve		-
b) Dividend		-
c) Dividend Tax		-
Balance carried forward to Balance Sheet	2753.44	2276.20

### **The Performance, Plans and Prospects of your Company**

Your company is a Chemicals manufacturer, and has Synthetic Resin and Terpenes as primary segments. Both segments of the Company have performed well during F. Y. 2016-2017. It has achieved sales turnover of Rs. 197 Crores during F. Y. 2016-17, approximately 10 % of revenue came from Synthetic Resin and 90 % from Terpenes.

Going forward, we have planned to focus our energies on both divisions. We have realigned our business to ensure profitable growth, with greater capital efficiency and higher return on capital employed.

Your company has been certified by DNV for ISO 9001/14001/OHSAS 18001 Certified Company, and is proud of this achievement.

### **Synthetic Resin**

Post the unfortunate fire in the synthetic resin segment during June 2015, production was stopped. Consequentially your Company faced difficulties with blocked working capital due to unutilized raw material and delayed receivables, as well as implications of various force majeure clauses. Due to the hard efforts of the employees and support from shareholders over the past 2 years, your Company has been able to selectively restart the production of few high margin synthetic resins. We have chosen those products which are not



commoditized, where we have a competitive edge and a cost advantage by way of our chemistry process capabilities. These products are used in the Adhesives, Rubber, Tyre industries. Our goal is to grow this business steadily in the coming years.

Going forward, your Company is increasing its investment in R&D and is working closely with technology consultants to provide superior products to the Adhesives, Rubber and Inks industries. Our goal is to capture market share by substituting imports by providing higher quality products at competitive prices.

#### **Terpene Chemicals**

Your Company manufactures a range of products under the Terpene segment, namely Camphor, Dipentene and Sodium Acetate. We are undertaking measures to scrutinize each step of the manufacturing process and bring improvements through reduction in time cycles increase in yields and reduction in energy costs. Various efforts have already brought results which give us the confidence to continue in this direction. The company is working with global technologists and scientists to overcome age old bottlenecks which have led to increased production outputs and superior quality.

Camphor is our primary product in this segment, contributing 80% of Terpene sales. As it is a naturally derived product that completely burns off with no residue, it finds its widest application in religious use in the domestic market, as it imparts a sense of complete purity to the religious devotee. We are pleased with our performance in this market and are confident of continuing growth in the years to come, as we strive hard to capture larger market share. We are increasing our presence with distributors and retail outlets, in which we are now present with our own brand, "Mangalam". We are also pursuing contract manufacturing and private labeling opportunities, as suitable.

Dipentene, a by-product in the manufacturing is used as a solvent in the paint industry. Demand for Dipentene grows in line with the demand for paint. Therefore, we see this product as being a contributor to growth for the foreseeable future in India. Dipentene is also gaining interest in the export market as a substitute for "Limonene" (obtained from orange oil). Dipentene is a ready substitute in formulations of cleaning and degreasing agents, as Limonene supply shortages get more acute.

Sodium Acetate, a by-product manufactured is used as a dye intermediate to increase alkaline content by Dye manufacturers. It has wide range of application in the leather tanning industries and is being exported to Europe. Your Company is exploring opportunities to increase this export business.

Going forward, your company will work to increase its production quantities of camphor and its related products, explore opportunities in derivatives of intermediate products (fragrance and flavor Industry), improve its quality to compete with China in the international market, and invest further in its retail brand of camphor tablets, "Mangalam" which is already gaining prominence in Modern Trade. Our goal is to grow this segment in the coming years.

#### **DIVIDEND:**

With a view to conserve the resources in long run, your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March, 2017.

#### **TRANSFER TO RESERVE:**

Your Company proposes to transfer Rs. Nil to General Reserves out of the amount available for appropriations during the financial year 2016-2017 (as compared to Rs. Nil in the previous financial year).

#### **MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW**

The Company is engaged in the manufacturing and selling activities of Camphor, Sodium Acetate and by products,



Terpene Chemicals and Synthetics Resins at its Units located at Kumbhivali Village, Taluka Khalapur, Khopoli, District Raigad, Maharashtra

#### **MEETINGS**

A calendar of meeting is prepared and circulated in advance to the Directors.

During the year five meetings were convened and held, the details of which are given in the Corporate Governance Report.

#### **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee approved policy for selection, appointment and remuneration of Directors and senior management.

#### **AUDIT COMMITTEE**

Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 277 of the Companies Act, 2013, constitution and other details of the Audit Committee are given in Corporate Governance Report.

#### **BOARD EVALUATION**

The Board has carried out the annual evaluation of its own performance and each of the Directors individually including the independent Directors as well as the working of its Committees.

#### **DETAILS OF THE SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

#### **COST AUDITORS**

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules, and 2014 your company is required to get its cost accounting records audited by a Cost Auditor

Accordingly, the Board at its meeting held on 6<sup>th</sup> May, 2017 has on the recommendation of the Audit Committee appointed M/s. NKJ & Associates (Cost Accountants) to conduct the Audit of the cost accounting records of the Company for F. Y. 2017-2018, on a remuneration of INR 50,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, and is accordingly placed for your ratification. The due date for filing the cost Audit Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 was 30<sup>th</sup> September, 2016 and the Cost Audit Report was filed in XBRL mode on 28<sup>th</sup> September, 2016.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

There is a change in the Board of Directors of the Company. At present there are five Directors on the Board i.e. Mr. Kamalkumar Dujodwala, Mr. Pannkaj Dujodwala and three Independent Directors i.e. Mr. Rajkumar Jatia, Sharad Saraf and Mrs. Anita Shriya, the details of which are given in the Corporate Governance. Mr. Rajkumar Saraf has resigned on 19th July, 2017 and Mr. S. N. Baheti has joined the Board on 14th August, 2017 as an additional Director

The Independent Directors are not liable to retire by rotation and the Managing Director is appointed for a period of 5 years. Hence, the Company has only one Director on the Board to retire by rotation. In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Kamalkumar Dujodwala retires by rotation at the ensuing AGM and being eligible offer himself for reappointment as Director.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of section 134(3) (c) of the Companies Act, 2013 your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them in the normal course of their work state that in all material respects;

- a) That in the preparation of the annual financial statements for the year ended March, 2017 the applicable accounting standards have been followed;
- b) That appropriate accounting policies have been selected, applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2017 and of the profit of the company for the year ended on that date
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the annual financial statements have been prepared on a going concern basis.
- e) That proper internal financial controls were in place and the financial controls were adequate and operating effectively; and
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**PUBLIC DEPOSITS**

During the year the company has not accepted deposits from the Shareholders and others and that the Company has complied with the provisions of Section 73 of the Companies Act, 2013 and the rules made there under.

**STATUTORY AUDITORS**

M/s. NGST & Associates Chartered Accountants, (Firm Registration No. 135159W) were appointed as statutory Auditors of the Company at the last Annual General Meeting till the conclusion of 39th Annual General Meeting of the Company. They are eligible to continue as statutory Auditors at the ensuing Annual General Meeting. Your Directors recommend their re-appointment as statutory auditors at the ensuing Annual General Meeting.

The observation and comments given in the Auditors report read together with the notes to the accounts are self explanatory and hence do not call for any further information and explanation under Section 134(3) of the Companies Act, 2013.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY**

The Company has not given any loans or guarantees or investments covered under the Provisions of Section 186 of the Companies Act, 2013

**RELATED PARTY TRANSACTION:**

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large.

All related party transactions are placed before the Audit Committee for approval. Prior Omnibus approval of the Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature.



Details of the related party transaction during the year as required under Listing Regulations and Accounting Standards 18 are given in Note No. 31 in the financial statements.

#### **ESTABLISHMENT OF VIGIL MECHANISM**

The Company has in place a vigil mechanism pursuant to which a Whistle Bowler Policy has been in force. The Policy was approved on 06.01.2015. This policy inter alia provides a direct access to Whistle Bowler to the Chairman of the Audit Committee on his dedicated email-id [info@mangalamorganics.com](mailto:info@mangalamorganics.com). The Whistle Bowler Policy covering all employees and directors is hosted on the Company's website at [www.mangalamorganics.com](http://www.mangalamorganics.com).

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company has designed and implemented a process driven framework for internal financial controls ("IFC") within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013

For the year ended 31<sup>st</sup> March, 2017, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations, wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the company's operation.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

All employees (Permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints, received regarding sexual harassment.

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

#### **EXTRACT OF THE ANNUAL RETURN**

In accordance with Section 134(3) and Section 92 of the Act, an extract of the Annual Return as of 31<sup>st</sup> March, 2017 in Form MGT-9 forms part of this Report as Annexure - B

#### **SECRETARIAL AUDIT REPORT**

Pursuant to the Provisions of Section 204 of the Companies Act, 2013, Mr. Yogesh Sharma, the Practicing Company Secretary (COP 12366) has been appointed to undertake the Secretarial Auditor for financial year ended 31.03.2017. The Secretarial Audit report forms part of this Annexure - D

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure "A" hereto and forms part of this report.

#### **FAMILIARISATION PROGRAMME:**

The Company's policy on programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various measures viz., issue of appointment letters containing terms, duties etc., management information reports, presentation and other programs as may be appropriate from time to time. The policy and programme aims to provide insights into the Company to enable Independent





Directors to understand the business, functionaries, business model and other matters. The said policy and details in this respect is displayed on the Company's website.

#### **EMPLOYEES**

The relation between the Company and its employees continue to be cordial. There were no employees during the year drawing remuneration more than prescribed ceiling under section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

#### **CORPORATE GOVERNANCE REPORT**

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under the Listing Regulations. A report on the Corporate Governance along with the certificate from the statutory auditors is separately given in the annual report.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to Section 135 of the Companies Act, 2013 and the Rules made there under, the Board of Directors has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of Mr. Sharad Saraf, an Independent Director. The projects are identified and adopted as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. Accordingly, the company operates CSR Policy in the areas of promoting social welfare schemes in villages for the uplift of standard of living of poor people. It also operates in area of providing free drinking water. The Corporate Social responsibility Policy recommended by the CSR Committee of the Directors has been approved by the Board of Directors of the Company. The same is available on the website of the Company.

The disclosure relating to the amount spent on Corporate Social Responsibility activities of the Company for the financial year ended 31<sup>st</sup> March, 2017 is attached to this report as "Annexure-C".

#### **GENERAL DISCLOSURE:**

Your Directors state that the Company has made disclosures in this report for the items prescribed in Section 134(3) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 to the extent the transactions took place on those items during the year.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

#### **ACKNOWLEDGEMENT**

The Board of Directors express their appreciation for the sincere co-operation and assistance of Government Authorities, Bankers, Customers, suppliers, Business Associates and the efforts put in by all the employees of the Company. The Board of Directors expresses their gratitude to all our valued shareholders for their confidence and continued support to the Company.

For and on behalf of the Board of Directors

Sd/-

**Kamalkumar Dujodwala**  
Chairman

Place: **Mumbai**

Date: 14<sup>th</sup> August, 2017

## **ANNEXURE - A TO THE DIRECTOR'S REPORT**

### **Form 'A'**

#### **Power and Fuel Consumption:**

	Particulars	2016-17	2015-16
1.	Electricity Purchased		
	Units (Kwh/Lakh)	52.32	56.87
	Total Amounts (Rs./Lakh)	411.62	421.30
	Rate /Unit (Rs.)	7.86	7.41
2.	Furnace Oil / Light Diesel Oil		
	Quantity (Ltrs/Lakh)	1.31	1.50
	Total Cost (Rs./Lakh)	60.06	65.36
	Average Rate (Rs./Lakh)	45.85	43.48
3.	Coal		
	Total Cost (Rs./Lakh)	231.40	565.34

#### **Conservation of Energy**

##### **Steps taken for conservation of energy:-**

Energy security has always been one of the key components of Mangalam's business strategy and also one of the biggest challenges encountered globally. The Company's systems and processes ensure optimum energy usage by continuous monitoring of all forms of energy and increasing the efficiency of operations. On the energy conservation front, the Company continues its thrust on improving energy efficiency through adoption of new technology and optimization of operation, thereby reducing energy cost. Periodic audits are conducted to improve energy performance and benchmark.

### **Form 'B'**

Form for disclosure of particulars with respect to:

#### **1) Areas in which Research & development is being carried out:**

The Research & Development has been strengthening Company's business by giving new parameters by optimizing the existing process and bettering the pollution control methods. Brief details are given below:-

- a) Strong Research & Development has enabled development of various products for quality like Camphor, Sodium Acetate, Trihydrate, Synthetic Resin and Terpene Chemicals.
- b) Pollution control has been a top most importance and efforts directed towards reduction at source and recovery of by-products and usage.

#### **2) Benefits derived as a results of above Research and Development:**

- a) Increase in product range, augmenting extend potential and marketing.
- b) Products consistency for remaining universally competitive.

- c) Improvements in process control, conservation of energy resulting in cost reduction.

### 3) Future Plan of Action

#### Technology absorption

1. Efforts made:-
  - a) Improvement in technical services to meet customers requirement
  - b) Interaction with various laboratories and consultants for improvising process and pollution control.
2. Benefits derived as a result of above efforts:
  - a) Better customer satisfactions.
  - b) Cost effectiveness and increase in marketability.

The Company's manufacturing process for its products are based on in-house technology which has been successfully absorbed. The Company has been constantly making efforts for improvement of quality and for marketing new ranges of products.

- c) Foreign Exchange earnings and outgo:

	F. Y. 2016-17	F. Y. 2015-16
Foreign Exchange earning	Rs. 756.04 Lakhs	Rs. 1273.61 Lakhs
Foreign Exchange outflow	Rs. 9895.38 Lakhs	Rs. 9778.34 Lakhs

## ANNEXURE-B TO THE DIRECTORS REPORT

### FORM MGT-9 – EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2017

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Company Management and Administration ) Rules, 2014

#### I. Registration and other details :

CIN	L24110MH1981PLC024742
Registration Date	03.07.1981
Name of the Company	<b>MANGALAM ORGANICS LIMITED</b>
Category / sub-category of the Company	Company having Share Capital
Address of the registered office and contact details	Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli – 410 202
Whether Listed company	Yes
Name, address and contact details of the Registrar and Transfer Agent, if any.	<b>Universal Capital Securities Pvt Ltd.</b> 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 93.

#### II. Principal Business Activities of the Company (all the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1.	Manufacturer of Camphor & Allied Products, Synthetic Resins & P. F. Resins	-	100%

#### III. Particulars of Holding, subsidiary and Associate companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding, Subsidiary and Associate Companies	% of Shares held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup As Percentage Of Total Equity)

##### I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	2243362	--	2243362	24.78	2243362	--	2243362	24.78	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	2001849	--	2001849	22.11	2001849	--	2001849	22.11	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A)	4245211	--	4245211	46.89	4245211	--	4245211	46.89	--
<b>B) Public Shareholding</b>									
<b>(2) Foreign</b>									
1 ) Institution									
a) Mutual Fund	--	1900	1900	0.02	--	1900	1900	0.02	--
b) Banks /FI	--	600	600	0.01	--	600	600	0.01	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt	--	--	--	--	--	--	--	--	--
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIS	--	--	--	--	--	--	--	--	--
h) Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	--	2500	2500	0.03	--	2500	2500	0.03	--
(2) Non Institutions									
a) Bodies Corporate	617302	6200	623502	6.89	595880	6200	602080	6.65	-0.24
b) Individuals									
I. Individual shareholders holding nominal share capital upto Rs. 1 lakh	1792753	782550	2575303	28.45	1594263	776750	2371013	26.19	-2.26
II. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1299222	0	1299222	14.35	1496507	0	1496507	16.53	2.18
Others (specify)									
i. Qualified foreign Investors	--	--	--	--	--	--	--	--	--
ii. Clearing Members	45073	0	45073	0.50	71814	0	71814	0.79	0.30
iii. Trust	0	0	0	0	0	0	0	0	--
iv. NRI / OCB	65869	196000	261869	2.89	69355	194200	263555	2.91	0.02
(c) Shares held by Custodians and against which Depository Receipts have been issued									
i. Promoters	--	--	--	--	--	--	--	--	--
ii. Public	--	--	--	--	--	--	--	--	--
Grand Total (A+ B+C)	8065430	987250	9052680	100	8073030	979650	9052680	100	0

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2016)			Shareholding at the end of the year (as on 31.03.2017)			% of change during the year
		No. of shares	% of shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of shares of the Company	% of shares pledged / encumbered to total shares	
1.	AKSHAY DUJODWALA	351374	3.88	--	351374	3.88	--	--
2.	ALKA DUJODWALA	578790	6.39	--	578790	6.39	--	--
3.	DUJODWALA EXPORT PVT LTD	172432	1.90	--	172432	1.90	--	--
4.	INDO EURO SECURITIES LTD	1829417	20.21	--	1829417	20.21	--	--
5.	MANISHA DUJODWALA	853250	9.43	--	853250	9.43	--	--
6.	PANKAJ RAMGOPAL DUJODWALA HUF	172432	1.90	--	172432	1.90	--	--
7.	RAMGOPAL KAMALKUMAR HUF	156216	1.73	--	156216	1.73	--	--
8.	VASUDHA DUJODWALA	131300	1.45	--	131300	1.45	--	--
	<b>Total</b>	<b>4245211</b>	<b>46.89</b>	--	<b>4245211</b>	<b>46.89</b>	--	--

iii) Change in Promoter's shareholding

There is no change in the total shareholding of promoters between 01/04/2016 to 31/03/2017

iv.) Shareholding pattern of top 16 shareholders (other than Director and Promoters)

Sr. No.	For Each of the Top 5 Shareholders	Shareholding at the beginning of the year (as on 01.04.2016)		Shareholding at the end of the year (as on 31.03.2017)	
		No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
1.	V. R. SARAF	420900	4.65	420900	4.65
2.	J B C INTERNATIONAL PVT LTD	414500	4.58	414500	4.58
3.	SANGEETHA S.	136330	1.51	136330	1.51
	10/14/2016 Transfer	-136330	-1.51	0	0.00
4.	JAGDISH AMRITLAL SHAH	96833	1.07		
	10/21/2016 Transfer	-43436	-0.48	53397	0.59
5.	JAMSON SECURITIES PVT LTD	59941	0.66		
	10/21/2016 Transfer	88402	0.98	148343	1.64
	10/28/2016 Transfer	-133402	-1.47	14941	0.17
	02/10/2017 Transfer	-4002	-0.04	10939	0.12
	02/24/2017 Transfer	-4200	-0.05	6739	0.07
	03/03/2017 Transfer	-1460	-0.02	5279	0.06
6.	MURARILAL RAMNIWAS DUJODWALA HUF	48000	0.53	48000	0.53

7.	TARADEVI MUKTILAL PALDIWAL	47501	0.52		
	10/07/2016 Transfer	-4000	-0.04	43501	0.48
	10/21/2016 Transfer	-5549	-0.06	37952	0.42
	02/03/2017 Transfer	-2000	-0.02	35952	0.40
	02/10/2017 Transfer	-8750	-0.10	27202	0.30
	02/24/2017 Transfer	-10150	-0.11	17052	0.19
	03/03/2017 Transfer	-7122	-0.08	9930	0.11
8.	SHAUNAK JAGDISH SHAH	47216	0.52		
	10/14/2016 Transfer	-2250	-0.02	44966	0.50
	10/21/2016 Transfer	-44966	-0.50	0	0.00
9.	DINESH MUKTILAL PALDIWAL	39773	0.44		
	09/23/2016 Transfer	-2000	-0.02	37773	0.42
	09/30/2016 Transfer	-2000	-0.02	35773	0.40
	10/07/2016 Transfer	-4000	-0.04	31773	0.35
	10/21/2016 Transfer	-5000	-0.06	26773	0.30
	02/03/2017 Transfer	-7000	-0.08	19773	0.22
	03/03/2017 Transfer	-5000	-0.06	14773	0.16
10.	DINESHKUMAR MUKTILAL PALDIWAL HUF	25150	0.28		
	10/14/2016 Transfer	-1000	-0.01	24150	0.27
	11/04/2016 Transfer	6000	0.07	30150	0.33
	11/18/2016 Transfer	1020	0.01	31170	0.34
	11/25/2016 Transfer	2000	0.02	33170	0.37
	02/10/2017 Transfer	-11501	-0.13	21669	0.24
	02/17/2017 Transfer	-2000	-0.02	19669	0.22
	02/24/2017 Transfer	-10000	-0.11	9669	0.11
	03/03/2017 Transfer	-650	-0.01	9019	0.10
11.	SUBRAMANIAN P.	0	0.00		
	10/14/2016 Transfer	146570	1.62	146570	1.62
	02/03/2017 Transfer	-770	-0.01	145800	1.61
	02/17/2017 Transfer	-1800	-0.02	144000	1.59
12.	BIJAL KISHORECHAND MADHANI HUF	0	0.00		
	09/23/2016 Transfer	21657	0.24	21657	0.24
	09/30/2016 Transfer	12944	0.14	34601	0.38
	10/07/2016 Transfer	15267	0.17	49868	0.55
	10/14/2016 Transfer	10132	0.11	60000	0.66
	10/28/2016 Transfer	20000	0.22	80000	0.88
	11/04/2016 Transfer	-5000	-0.06	75000	0.83
	11/11/2016 Transfer	-3460	-0.04	71540	0.79
	11/18/2016 Transfer	-21640	-0.24	49900	0.55
	11/25/2016 Transfer	-14900	-0.16	35000	0.39
	12/02/2016 Transfer	-15000	-0.17	20000	0.22
	12/16/2016 Transfer	10684	0.12	30684	0.34
	02/03/2017 Transfer	20181	0.22	50865	0.56
	02/10/2017 Transfer	49135	0.54	100000	1.10

13.	MILIND K MADHANI HUF	0	0.00		
	10/07/2016 Transfer	20000	0.22	20000	0.22
	10/28/2016 Transfer	20000	0.22	40000	0.44
	11/04/2016 Transfer	-5000	-0.06	35000	0.39
	11/18/2016 Transfer	-20000	-0.22	15000	0.17
	11/25/2016 Transfer	-4414	-0.05	10586	0.12
	12/02/2016 Transfer	4414	0.05	15000	0.17
	01/06/2017 Transfer	5000	0.06	20000	0.22
	01/20/2017 Transfer	-1500	-0.02	18500	0.20
	01/27/2017 Transfer	-7000	-0.08	11500	0.13
	02/03/2017 Transfer	18500	0.20	30000	0.33
	02/10/2017 Transfer	20000	0.22	50000	0.55
	02/17/2017 Transfer	15000	0.17	65000	0.72
	02/24/2017 Transfer	15000	0.17	80000	0.88
	03/10/2017 Transfer	-3000	-0.03	77000	0.85
	03/17/2017 Transfer	-2000	-0.02	75000	0.83
	03/24/2017 Transfer	-13000	-0.14	62000	0.68
14.	VIPUL AJITKUMAR DAVE	0	0.00		
	09/02/2016 Transfer	70000	0.77	70000	0.77
	09/09/2016 Transfer	15171	0.17	85171	0.94
	09/16/2016 Transfer	6827	0.08	91998	1.02
	09/23/2016 Transfer	4448	0.05	96446	1.07
	09/30/2016 Transfer	3554	0.04	100000	1.10
	10/28/2016 Transfer	10000	0.11	110000	1.22
	11/11/2016 Transfer	-9062	-0.10	100938	1.12
	12/16/2016 Transfer	-1645	-0.02	99293	1.10
	12/23/2016 Transfer	-1000	-0.01	98293	1.09
	12/31/2016 Transfer	-4309	-0.05	93984	1.04
	01/06/2017 Transfer	-10565	-0.12	83419	0.92
	02/03/2017 Transfer	-33419	-0.37	50000	0.55
	02/10/2017 Transfer	1000	0.01	51000	0.56
15.	PRABHA DEORAH	0	0.00		
	12/16/2016 Transfer	40000	0.44	40000	0.44
	01/06/2017 Transfer	10000	0.11	50000	0.55
16.	GOLDEN GOENKA CREDIT PVT LTD.	0	0.00		
	02/24/2017 Transfer	12965	0.14	12965	0.14
	03/03/2017 Transfer	1804	0.02	14769	0.16
	03/10/2017 Transfer	15037	0.17	29806	0.33
	03/17/2017 Transfer	13000	0.14	42806	0.47
	03/31/2017 Transfer	2000	0.02	44806	0.49



V) Indebtedness

The Company has availed loan from The Saraswat Co-operative Bank Ltd. (please refer sch-3 and sch-6) of the Balance Sheet for details.

VI) **Remuneration of Directors and Key Managerial Personnel**

A. Remuneration to Directors, Whole Time Directors and / or Manager

Sr. No.	Particulars of Remuneration	Mr. Kamalkumar Dujodwala	Mr. Pannkaj Dujodwala
1	Gross Salary	12,00,000	12,00,000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17 (3) Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- As % of profit	-	-
	- Others, specify	-	-
5.	Others please specify	-	-
	Total (a)	12,00,000	12,00,000

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Names of Director				Total Amount
		Mr. Rajkumar Saraf	Mr. Rajkumar Jatia	Mr. Sharad Saraf	Mrs. Anita Shriya	
1.	Fees for attending Board / Committee Meeting	5000	4000	5000	5000	19000
2.	Commission	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-
Total		5000	4000	5000	5000	19000

C. Remuneration to Key Managerial Personnel other than MD/ Manager /WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Shrirang Rajule	Mr. Ankur Gala	
1.	Gross Salary			
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	496745	181200	677945
b.	Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	--	--	--
c.	Profits in lieu of salary under Section 17 (3) Income Tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Seat Equity	--	--	--
4.	Commission As % of profit Others, specify	--	--	--
5.	Others please specify	--	--	--
	<b>Total (a)</b>	<b>496745</b>	<b>181200</b>	<b>677945</b>

VII) Penalties /Punishment /compounding of offences

There were no penalties, Punishments, compounding of offences for the year ending 31<sup>st</sup> March , 2017.

### ANNEXURE C – CSR Report

A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs	Corporate Social Responsibility Section of the Directors Report contains the requisite details
The composition of the CSR Committee	1. Mr. Sharad Saraf (Chairman) 2. Mrs. Anita Shriya (Member) 3. Mr. Kamalkumar Dujodwala (Member)
Average Net Profit of the Company for last three financial years	Rs. 80 Lakhs
Prescribed CSR Expenditure (2% of the average profit amount as above)	Rs. Nil
Details of CSR spent during the financial year; 1. Total amount spent for the financial year 2. Amount unspent if any 3. Manner in which the amount spent during the financial year	Rs. 3.92 Lakhs NIL Details given in the below table.

Sr. no.	CSR Project or activity identified	Sector in which the project is covered	Location where project is undertaken ( Local Area/ District)	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects and programs (2) Overheads*	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Promotion of social welfare activity in the form of free drinking water	Making available safe drinking water.	Marin Lines Mumbai	Rs. Nil	Rs.3.92 Lakh	Rs.3.92 Lakh	Implementing Agency
	Total			Rs. Nil	Rs.3.92 Lakh	Rs.3.92 Lakh	

We hereby confirm that the implementation and monitoring of CSR Activities is in compliance with CSR objectives and the CSR Policy of the Company.



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**ANNEXURE - D**  
**Form No. MR-3**  
**SECRETARIAL AUDIT**  
**REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**MANGALAM ORGANICS LIMITED,**  
Kumbhivali Village, Savroli Kharpada Road,  
Taluka Khalapur, Khopoli- 410203

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MANGALAM ORGANICS LIMITED, (CIN - L24110MH1981PLC024742) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 ('Audit Period') except otherwise stated in this report has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);
- VI. On examination of the relevant documents and records on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:
- Factories Act, 1948
  - Water (Prevention and Control of Pollution) Act, 1974
  - Air (Prevention and Control of Pollution) Act, 1981
  - Environment Protection Act, 1986

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except following;

1. One of the Director of the Company, who also holds Directorship in another Company which has not filed its Annual Return and Financials for a period of continuous three financial years, which attracts disqualification under section 164 (2) (a) and as a result his office is liable to be vacated under section 167 (1) (a) of the Companies Act, 2013 and he has resigned and vacated the office.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



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All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further the Company has not taken any other actions or entered into events having a major bearing on the company's affairs in above referred laws, rules, regulations, guidelines, standards, etc.

Sd-  
YOGESH MSHARMA  
ACS: 33235,  
C P No. 12366

Place : Mumbai  
Dated : August 12, 2017

*\*This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.*

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## APPENDIX A

To,  
The Members  
**MANGALAM ORGANICS LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Whenever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

sd/  
YOGESH M. SHARMA  
ACS: 33235 C.P. No. 12366

Place : Mumbai  
Date : August 12, 2017

## CORPORATE GOVERNANCE REPORT

### 1. **MANAGEMENT PHILOSOPHY AND CORPORATE GOVERNANCE:**

Corporate Governance at Mangalam Organics Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituent of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, including competent professional across the organization and putting in place appropriate systems, process and technology.

At the heart of Company's Corporate Governance Policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

Your Company confirms the compliance of Corporate Governance the details of which are given below:

### 2. **BOARD OF DIRECTORS**

2.1 Directors profile: The Board of Directors of the Company bring with them wide range of skills and experience to the Board which enhance the quality of the Board's decision making process. Profile of the Directors is posted on the Website of the Company.

2.2 Board Procedure: With a view to follow transparency the Board follows procedure of advance planning for the matters requiring / decision by the Board. The Board is given presentation, covering finance, sales, major business segments and operation of the Company and other matters as members want. Agenda papers for the Board and Committee Meetings are finalized in consultation with the concerned persons. The minutes of proceedings of each board meetings are maintained in terms of statutory provisions. Meetings of various Committee Meetings are held properly. The Agenda and notes to Agenda for the meetings of the Board and Committees, together with relevant details, resolutions and documents are circulated in advance of the meeting. The Company follows practice to schedule dates of meetings for coming year or as possible. Meetings are largely held in attendance of Managing Director, CFO and Company Secretary and other activities are also invited wherever necessary for discussion or inputs.

### 2.3 **Composition of the Board, Category, Directorship etc:**

The Board of the Company consists of Six Directors as on 31<sup>st</sup> March, 2017 of which Four are independent Directors and one is a Managing Director and one is a Chairman. Independent Directors are professional with specialization in their respective fields having varied skills and expertise and not related to promoters of the Company. The Company is in compliance of the Listing Regulations and the Companies Act, 2013. The Composition of the Board and other details as on 31<sup>st</sup> March, 2017 is as below;

Name of the Director	Category of Director	No of other Directorship held at other Companies	Committee / Membership/ Chairmanship of Board Committees in other Companies
Mr. Kamalkumar Dujodwala	Chairman-Executive Director	11	1
Mr. Pannkaj Dujodwala	Managing Director	4	--
Mr. Sharad Saraf	Independent Director	14	--
Mr. Rajkumar Saraf*	Independent Director	11	7
Mr. Rajkumar Jatia	Independent Director	4	--
Mrs. Anita Shriya	Independent Director	3	--

- (1) Including private Companies
- (2) Represents Chairmanship / Membership of Audit Committee and Stakeholders Relationship Committees of other listed Companies
  - \* Mr. Rajkumar Saraf has resigned w.e.f. 19/07/2017
  - \*\* Mr. S. N. Baheti has been appointed on 14th August, 2017 as an additional Director.

Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala are related to each other. None of the other Directors are related to any other Director on the Board. Mr. Kamalkumar R. Dujodwala holds 1000 equity shares of the Company. Other Directors are not holding any shares in the Company.

#### 2.4 **Board Meetings and Attendance**

The Board meets at least once in each quarter and the gap between any two Board Meeting was not more than 120 days. During the year under review, Board of Directors of the Company met five times i.e. on 26.04.2016, 07.07.2016, 03.09.2016, 19<sup>th</sup> October, 2016 and 28<sup>th</sup> January, 2017. The Agenda papers along with the notes and other supporting statements were circulated in advance of the Board Meeting with sufficient information.

Directors' attendance in Board Meetings held during the financial year and last Annual General Meeting is as under;

Name of the Director	No of Board Meetings held/ attended	Attendance at last AGM
Mr. Kamalkumar Dujodwala	5	Yes
Mr. Pannkaj Dujodwala	5	Yes
Mr. Sharad Saraf	5	--
Mr. Rajkumar Saraf*	5	--
Mr. Rajkumar Jatia	4	--
Mrs. Anita Shriya	5	Yes

\* Mr. Rajkumar Saraf has resigned w.e.f. 19/07/2017

\*\* Mr. S. N. Baheti has been appointed on 14th August, 2017 as an additional Director.

#### 2.5 **Familiarization programmes for independent Directors :**

The Company's Policy on Programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various measures viz issue of appointment letters containing terms, duties etc., management information reports, presentation and other programmes as may be appropriate from time to time. The Policy and programme aims to provide insights into the Company to enable independent directors to understand the business, functionalities, business model and other matters. The said policy and details in this respect is displayed on the company's website

#### 2.6 **Evaluation :**

During the year, the Nomination and Remuneration Committee / Board have carried out evaluation of its own performance and the performance of the committees of the Board of Directors, individual Directors and the Chairman of the Board. The Board has evaluated the composition of the Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters etc. Performance of individual Directors and the Board Chairman was also carried out in terms of their respective attendance at Board / Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda etc. Directors were satisfied with the evaluation on different criteria.



### 3. Committees of the Board:

The Board currently has the following Committees:

- A) Audit Committee
- B) Investors'/ Stakeholders' Relationship Committee
- C) Nomination and Remuneration Committee
- D) Corporate Social Responsibility Committee

#### 3.1 **Audit Committee**

Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Companies Act, 2013.

The Audit Committee comprises of 3 members. Two members of the Audit Committee are independent directors. The Committee met four times during the year on 26.04.2016, 07.07.2016, 19.10.2016 and 28.01.2017.

The Composition of the Audit Committee and attendance are as follows :

Name of the Director	Category	No of Meetings	
		Held	Attended
Mr. Sharad Saraf	Independent Director	4	4
Mr. Rajkumar Saraf*	Independent Director	4	4
Mr. Kamalkumar Dujodwala	Executive Director	4	4

\*Mr. Rajkumar Saraf has resigned and Mrs. Anita Shriya appointed as a Member of Audit Committee w.e.f. 19/07/2017. The Audit Committee will be reconstituted as follows :

- (1) Sharad Saraf – Chairman
- (2) Anita Shriya
- (3) Kamalkumar Dujodwala

Terms of reference and role of the Audit Committee includes the matters specified under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Broad terms of reference includes : Oversight of financial reporting process, review of financial results and related information, approval related party transactions, review internal financial control and risk management, evaluate performance of statutory and internal auditors, audit process, relevant compliances, appointment and payments to statutory auditors.

#### 3.2 **Investors' / Stakeholders' Relationship Committee :**

In Compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has formed an "Investors' / Stakeholders' Relationship Committee."

I. Terms of reference :

The Investors' / Stakeholders' Relationship Committee reviews the redressal of grievances of stakeholders pertaining to the requests/ complaints of the shareholders related to transfer of shares, dematerialization of shares, non receipt of annual accounts, non receipt of dividend or revalidation of expired dividend warrants, recording the change of address, nomination etc.

II. Composition :

The composition of the Committee as on March 31, 2017 and details of attendance of the Committee members at the meetings are given in the following table. The Committee met 12 times during the year.

Name of the Director	Category of the Director	No of Meetings	
		Held	Attended
Mr. Sharad Saraf	Independent Director	12	12
Mr. Rajkumar Saraf*	Independent Director	12	12
Mr. Kamalkumar Dujodwala	Executive Director	12	12

\*Rajkumar Saraf has resigned and Mrs. Anita Shriya appointed as a member of Investors' / Stakeholders' Relationship Committee w.e.f. 19/07/2017. The Investors' / Stakeholders' Relationship Committee will be reconstituted as follows :

Sharad Saraf – Chairman

Anita Shriya

Kamalkumar Dujodwala

The Company Secretary acts as the secretary to the Committee, who is designated as Compliance Officer. The Committee ensures that the Shareholder' Investors' Grievances and correspondence are attended and resolved expeditiously. There was no investor grievance remaining unattended and pending as on 31<sup>st</sup> March, 2017.

### 3.3 **Nomination and Remuneration Committee :**

Nomination and Remuneration Committee of the Board has been constituted in terms of the Listing Regulations and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of three members. Two members of the Nomination and Remuneration Committee are Independent Directors. During the year under review the Committee met one time on 19.10.2016. The Company Secretary acts as the secretary to the Committee.

The Composition of the Nomination and Remuneration Committee and the attendance are as follows:

Name of the Director	Category of the Director	No of Meetings	
		Held	Attended
Mr. Sharad Saraf	Independent Director	1	1
Mr. Rajkumar Saraf*	Independent Director	1	1
Mr. Kamalkumar Dujodwala	Executive Director	1	1

\*Rajkumar Saraf has resigned and Mrs. Anita Shriya appointed as a member of Nomination and remuneration Committee w.e.f. 19/07/2017. The Nomination and Remuneration Committee will be reconstituted as follows :

Sharad Saraf – Chairman

Anita Shriya

Kamalkumar Dujodwala

Terms of reference of the Nomination and Remuneration Committee includes the matters specified under the Companies Act, 2013 and the Listing Regulations. Broad terms of reference includes Formulation of Remuneration Policy, setting up of the criteria for determining qualification, positive attributes and independence of director, formulation of criteria of evaluation of independent director and the Board and

criteria for appointment of Directors and Senior Management.

Policy on Appointment of Director, Qualification and Attributes

The Company's policy on appointment of Directors provides interalia for criteria of qualification, experience and skills in relation to appointment for the position of Director.

#### Remuneration of Directors

Name of the Director	Category of the Director	Annual Remuneration	Sitting fees	Total
Mr. Kamalkumar Dujodwala	Chairman – Executive	1200000	--	1200000
Mr. Pannkaj Dujodwala	Managing Director	1200000	--	1200000
Mr. Sharad Saraf	Independent Director	--	5000	5000
Mr. Rajkumar Saraf*	Independent Director	--	5000	5000
Mr. Rajkumar Jatia	Independent Director	--	4000	4000
Mrs. Anita Shriya	Independent Director	--	5000	5000

\* Mr. Rajkumar Saraf has resigned on 19<sup>th</sup> July, 2017 and

\*\* Mr. S. N. Baheti has been appointed on 14<sup>th</sup> August, 2017 as an additional Director.

#### 3.4 Remuneration Policy

The Board on the recommendation of Nomination and Remuneration Committee approves Remuneration Policy for Directors, KMP and Senior Management Personnel's.

The policy describes various aspects and guiding factors while determining the remuneration to Directors, KMP and Senior Management Personnel of the Company with intent to maintain level and Composition of remuneration reasonable and sufficient to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and also create competitive advantage.

#### Criteria for payment to Non Executive / Independent Directors.

Independent Directors are paid sitting fees of Rs. 1000/- for each Board Meeting by way of reimbursement of expenses incurred by them for attending the meeting.

#### 3.5 Corporate Social Responsibility Committee :

The terms of reference of CSR Committee includes, to frame the CSR policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company and to monitor its progress.

The Composition of the CSR Committee as at March 31, 2017 and the details of member's participation at the meetings of the Committee are as follows:

The CSR committee meeting was held on 26th April, 2017.

The Composition of CSR Committee and the attendance are as follows :

Name of the Director	Category of the Director	No of Meetings	
		Held	Attended
Mr. Sharad Saraf	Independent Director	1	1
Mrs. Anita Shriya	Independent Director	1	1
Mr. Kamalkumar Dujodwala	Executive Director	1	1

4. **Independent Director's Meeting :**

During the year under review, separate meeting of Independent Directors was held on January 28, 2017 interalia to discuss:

1. Evaluation of performance of Non independent Directors and the Board of Directors as a whole.
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors, and
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board and that is necessary to effectively and reasonably perform its duties.
4. The independent Directors were present at the meeting.

5. **Disclosures :**

A. **Related Party Transactions :**

There were no materially significant transactions with the related parties during the financial year.

B. **Code of Conduct**

The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel. The Code of Conduct is available on the website of the Company [www.mangalamorganics.com](http://www.mangalamorganics.com). All Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the review.

C. **Prohibition of Insider Trading**

In Compliance with the SEBI Regulations on Prevention of Insider Trading the Company has framed a Code of Conduct to avoid any insider Trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company.

Information relating to the company.

Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala are related to each other. None of the other Directors are related to any other Director on the Board. Mr. Kamalkumar R. Dujodwala holds 1000 equity shares of the Company. Other Directors are not holding any shares in the Company.

D. **Whistle Blower Policy**

The Company has a Whistle Blower Policy to deal with any instance of fraud and mismanagement. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this Policy. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is done with any person for a genuinely raised concern.

6. **General Body Meetings :**

Details of last three Annual General Meetings (AGM) are given here below :

AGM	Date	Time	Venue	Special Resolution Passed
32 <sup>nd</sup> Annual General Meeting	19.09.2014	11.00 a.m.	Kumbhivali Village Savroli, Kharpada Road, Taluka-Khalapur, Khopoli-410 202. District Raigad, Maharashtra.	1. Appointment of Shri Rajkumar Jatia as an independent director 2. Appointment of Shri Rajkumar Saraf as an independent director 3. Appointment of Shri Sharad Saraf as an independent director 4. Appointment of Shri. Narendra Goenka as an independent director
33 <sup>rd</sup> Annual General Meeting	24.09.2015	11.00 a.m.	-do-	1. Approve the remuneration to be paid to cost auditor 2. Approve the appointment of Mr. Pannkaj Dujodwala as the Managing Director 3. Appointment of Anita Shriya as an Independent Director 4. Authority to borrow
34 <sup>th</sup> Annual General Meeting	30.09.2016	11.00 a.m.	-do-	1. Appointment of an Auditor 2. Omnibus approval of Related party transactions 3. Approve the remuneration to be paid to cost auditor

#### 7. Disclosures :

- During the year there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large. Related Party Transactions have been disclosed in the notes to financial statements and in Board's Report. Policy on dealing with related party transactions is posted in section "investor >Corporate Governance' on the Company's website or link [www.mangalamorganics.com](http://www.mangalamorganics.com)
- The Company has complied with all application provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulation 2015 and other SEBI Regulations wherever applicable. No penalties have been imposed by SEBI, Stock Exchanges or any other Statutory authorities on matter relating to capital markets during the last three years.
- The Company has whistle blower policy for establishing a vigil mechanism to report genuine concerns regarding unethical behavior mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Details relating to vigil mechanism are also mentioned in the Board's Report.
- The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations and also followed non-mandatory requirements relating to separate post of Chairman and CEO or Managing Director, sending of quarterly financial results to shareholders through emails and financial statements with unmodified audit opinion /without qualification.
- There were no pecuniary relationship or transactions of non executive Director viz a viz the Company during the year under review, except payment of sitting fees and remuneration.
- Disclosure of commodity price risks and commodity hedging activities. the company has price mechanism to protect against material movement in price of raw materials.

## 8. Means of Communication

1.	Quarterly Results	Published in National and Local dailies such as The Free Press Journal (English) and The Navashakti (Marathi) and in official websites of Bombay Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
2.	Publication in News Papers	Published in National and Local dailies such as The Free Press Journal (English) and The Navashakti (Marathi).
3.	Publication in websites	<a href="http://www.bseindia.com">www.bseindia.com</a> , <a href="http://www.mangalamorganics.com">www.mangalamorganics.com</a>
4.	Displaying of official news releases	<a href="http://www.bseindia.com">www.bseindia.com</a> , <a href="http://www.mangalamorganics.com">www.mangalamorganics.com</a>
5.	Reminder to Shareholders	Reminder for unpaid dividend has been sent to shareholders as per records made available by the Bankers.

## 9. General shareholder Information

<b>Annual General Meeting</b>	26 <sup>th</sup> September, 2017 at 10.00 a.m. Kumbhivali Village, Savroli Kharpada Road, Tal: Khalapur, Khopoli, Dist: Raigad, (Maharashtra).
<b>Financial Year</b> The Financial Calendar Financial Reporting for	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017 1. Quarter ending 30 <sup>th</sup> June, 2016 – Before 15 <sup>th</sup> August, 2016 2. Half year ending 30 <sup>th</sup> September, 2016- before 15 <sup>th</sup> November, 2016 3. Quarter ending 31 <sup>st</sup> December, 2016 – Before 15 <sup>th</sup> February, 2017 4. Quarter ending 31 <sup>st</sup> March, 2016 – Before 30 <sup>th</sup> May, 2017 (along with Audited Annual Results) Note : the above dates are indicative
<b>Date of Book Closure</b>	20 <sup>th</sup> September, 2017 to 26 <sup>th</sup> September, 2017
<b>Listing of Equity shares on stock exchange</b>	Bombay Stock Exchange (BSE)
<b>Stock Code (BSE)</b>	514418
<b>ISIN NO.</b>	INE370D01013
<b>CIN no.</b>	L24110MH1981PLC024742
<b>Register and Transfer Agent</b>	<b>Universal Capital Securities Private Ltd</b> 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 93 T: +91 (22) 2820 7203-05 / 2825 7641 Fax: T: +91 22 2820 7207 Website : <a href="http://www.unisec.in">www.unisec.in</a>



Dematerialisation of shares and liquidity	<b><u>Shares held in Demat form as on 31<sup>st</sup> March, 2017</u></b> With NSDL : 6729975 With CDSL : 1343055 Physical : 979650
Compliance Officer	Mr. Ankur Gala (Company Secretary) Mangalam Organics Limited 812/813, Tulsiani Chamber, Nariman Point, Mumbai- 21 Tel. No. 022-49204012, Fax No. 022-22841281 Email: <a href="mailto:rajeshmishra@mangalamorganics.com">rajeshmishra@mangalamorganics.com</a>
Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity	<b>NA</b>
Plant Locations	Kumbhivali Village, Savroli Kharpada Road, Taluka-Khalapur, Khopoli – 410 202, District Raigad, (M.S.)
Address for correspondence	The shareholders may send their correspondence relating to transfer / dematerialization and other correspondence relating to shares of the company to the other Registrar and Transfer Agents of the Company. Shareholders holding shares of the Company in dematerialized form should address their correspondence to their respective Depository Participants.  For any other queries correspondence at administrative Office address at 812/812, Tulsiani Chambers, Nariman Point, Mumbai 21  Designated email id for investor correspondence : <a href="mailto:investor@mangalamorganics.com">investor@mangalamorganics.com</a>
Stock Price Data	High, low market price for Bombay stock Exchange during each month in the last Financial Year in comparison with BSE sensex are as follows :

**Shareholding as of March 31,2017 : Table I**

Month	High	Low	No. of Shares	Month	High	Low	No. of Shares
Apr 16	24.05	18.30	91,662	Oct 16	54.00	38.50	8,70,953
May 16	24.50	19.70	82,375	Nov 16	48.00	26.20	4,03,578
Jun 16	22.30	19.25	40,454	Dec 16	41.80	32.05	1,26,142
Jul 16	32.90	21.50	4,08,501	Jan 17	50.60	35.40	4,33,113
Aug 16	30.85	22.10	2,16,782	Feb 17	76.50	45.10	11,30,942
Sep 16	44.70	26.75	5,60,529	Mar 17	74.40	59.05	4,17,520



Shareholding as of March 31, 2017 : Table II

Description	Shareholders	% to Total	No. of share holding	% of share-holding to total	Shareholding in Rs.	% to total shareholding
UPTO - 500	10672	92.784	1434991	15.852	14349910.00	15.852
501 - 1000	421	3.660	333718	3.686	3337180.00	3.686
1001 - 2000	198	1.721	291812	3.223	2918120.00	3.223
2001 - 3000	51	0.443	132034	1.459	1320340.00	1.459
3001 - 4000	30	0.261	107714	1.190	1077140.00	1.190
4001 - 5000	33	0.287	154939	1.712	1549390.00	1.712
5001 - 10,000	45	0.391	336801	3.720	3368010.00	3.720
10,001 & ABOVE	52	0.452	6260671	69.158	62606710.00	69.158
<b>Total</b>	<b>11502</b>	<b>100</b>	<b>9052680</b>	<b>100.00</b>	<b>9052680.00</b>	<b>100.00</b>

**Categories of equity shareholders as on March 31, 2017 : Table III**

Category	Number of equity shares held	Percentage of holding
Promoters	4245211	46.89
Mutual Funds/UTI	1900	0.02
Bank, Financial Institution,	600	0.01
Corporate Bodies	602080	6.65
NRI's/Foreign National / OCBs	263555	2.91
Indian Public and other	3939334	43.52
<b>GRAND TOTAL</b>	<b>9052680</b>	<b>100.00</b>



## DECLARATION IN RESPECT OF CODE OF CONDUCT

I, Pannkaj Dujodwala, Managing Director of Mangalam Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2017.

For Mangalam Organics Limited  
Sd/-  
Pannkaj Dujodwala  
Managing Director

Place : Mumbai  
Dated : 14<sup>th</sup> August, 2017





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## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The members of  
Mangalam Organics Limited

We have examined all the relevant records of Mangalam Organics Limited ("the Company") for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchange for the financial year ended on 31<sup>st</sup> march, 2017. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation process adopted by Company for ensuring the compliance of the conditions of Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor the efficacy of effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement.

Sd-  
**For NGST & Associates**  
Chartered Accountants  
(Registration No. 135159W)  
(Bhupendra Gandhi)  
Partner  
Membership No. 122296

Place: Mumbai  
Dated: 6<sup>th</sup> May, 2017

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Mangalam Organics Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Mangalam Organics Limited, which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies Accounts (Rules), 2014 ;
- e) On the basis of written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a Director in terms of section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" ; and
- g) With respect to the other matters included in the Auditor's Report and to the best of our information and according to explanation given to us:
  - 1. The Company has disclosed the impact of pending litigation on its financial position in its financial statement- Refer Note 27 of the financial statements.
  - 2. The Company does not have any long-term contracts including derivatives contracts for which there are no material foreseeable losses.
  - 3. During the current year, there is no amount which needs to be transferred to the Investor Education and Protection Fund by the Company.
  - 4. The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 31, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 35)

**For NGST & Associates**  
Chartered Accountants  
(Registration No. 135159W)  
(Bhupendra Gandhi)  
Partner  
Membership No. 122296

**Place: Mumbai**  
**Date: 6<sup>th</sup> May 2017**

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## **ANNEXURE-A TO THE AUDITOR'S REPORT**

(Referred to our report of even date)

Annexure referred to in our Auditors' Report of even date to the members of the Company on the Financial Statement of Mangalam Organics Limited for the year ended as on March 31, 2017 we report that :

- i) (a) *The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.* However, the Company has informed us that it is in process of compilation.  
(b) According to the information and explanation given to us, all the fixed assets have been physically verified by the management during the year and we are informed that the management on such verification has noticed no material discrepancies. In our opinion the frequency of verification is reasonable.
- c) The title deeds of immovable properties are held in the name of the Company except that they are mortgaged to bank as per the report given by the external valuer during the year and as per the management and we have relied upon the same.
- ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.  
(b) As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records.
- iii) (a) In our opinion and according to the information and explanation given to us the Company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore clause iii b and iii c are not applicable.
- iv) In our opinion and according to the information and explanation provided to us in respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Companies Act 2013 have been complied with.
- v) In our opinion and according to the information and explanation given to us by the management, the Company has not accepted any deposit from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- vi) The Central Government has prescribed maintenance of the cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect to the Company's products. We have broadly reviewed the books of accounts & records maintained by the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, Excise duty, service tax, cess and other material statutory dues applicable to it have *generally* been regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of these were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(b) According to the information and explanation given to us, there are no dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute except as

stated below:-

Name of the statute	Nature of dues	Amount of demand	Payment of demand	Period to which the amount relate	Forum where dispute is pending
The Central Excise Act, 1944	Camphor Price difference Excise Duty	64,52,240	11,12,067 (our cum duty calculation as per supreme court order)	Feb-2004 to May-2005	CESTAT
The Central Excise Act, 1944	Excise duty	10,91,99,456	NIL	Apr-1999 to Aug-2003	High Court
The Central Excise Act, 1944	Excise Duty	1,68,88,229	1,45,58,818 (Cum Duty)	Sept-2003 to Nov-2004	High Court
The Central Excise Act, 1944	Excise Duty	81,44,105	70,01,466 (Cum Duty)	Dec-2004 to Sept-2005	CESTAT
The Central Excise Act, 1944	Interest	1,68,38,001	1,68,38,001	July-1999 to Jan-2004	Commissioner of Central Excise and Customs (Appeals) for excess calculation of Interest of Rs. 91,30,615 paid under protest
The Central Excise Act, 1944	Interest	2,20,73,762	2,20,74,070	Sept-2003 to Nov-2004	CESTAT

- viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. Further, the Company has not issued any debenture.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). As per the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x) During the course of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company or any fraud on the Company by its officers or employees, which has been noticed or reported during the current year, nor we have been informed of such case by the management.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) This clause is not applicable since the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The Company has not entered into non-cash transactions with Directors or persons connected with him.



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Accordingly, paragraph 3(xv) of the order is not applicable.

- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

**For NGST & Associates**  
Chartered Accountants  
(Registration No. 135159W)  
(Bhupendra Gandhi)  
Partner  
Membership No. 122296

**Place: Mumbai**

**Date: 6<sup>th</sup> May, 2017.**

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## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (I) of Sub-Section 143 of the Companies Act, 2013 ("The Act")**

We have audited the internal financial controls over financial reporting of Mangalam Organics Limited ('the Company') as of 31 March 2017, in connection with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company ; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NGST & Associates**  
Chartered Accountants  
(Registration No. 135159W)  
sd/  
(Bhupendra Gandhi)  
Partner  
Membership No. 122296

**Place: Mumbai**

**Date: 6<sup>th</sup> May, 2017**



## BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTE NO.	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b><u>EQUITY AND LIABILITIES:</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	90,526,800	90,526,800
Reserves and Surplus	2	378,358,440	330,634,982
		<b>468,885,240</b>	<b>421,161,782</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	109,754,453	233,202,219
Deferred Tax Liability (Net)	4	57,382,164	85,366,931
Long Term Provisions	5	10,542,863	9,631,241
		<b>177,679,480</b>	<b>328,200,391</b>
<b><u>CURRENT LIABILITIES</u></b>			
Short-Term Borrowings	6	380,119,677	381,811,431
Trade Payables	7	123,981,397	183,745,672
Other Current Liabilities	8	95,680,238	113,728,655
Short-Term Provisions	9	12,377,797	2,680,606
		<b>612,159,109</b>	<b>681,966,364</b>
<b>TOTAL</b>		<b>1,258,723,829</b>	<b>1,431,328,537</b>
<b><u>ASSETS :</u></b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
(i) Tangible Assets	10	322,271,415	347,669,161
(ii) Capital work-in-progress		796,371	--
Non-Current Investments	11	25,000	25,000
Long Term Loans and Advances	12	1,732,440	2,725,620
		<b>324,825,226</b>	<b>350,419,781</b>
<b>CURRENT ASSETS</b>			
Inventories	13	375,381,514	440,618,595
Trade Receivables	14	172,411,702	121,948,730
Cash and Cash Equivalents	15	47,119,470	31,036,484
Short-term Loans and Advances	16	338,544,692	487,072,487
Other Current Assets	17	441,225	232,460
		<b>933,898,603</b>	<b>1,080,908,756</b>
<b>TOTAL</b>		<b>1,258,723,829</b>	<b>1,431,328,537</b>

Significant accounting policies and notes to accounts 1 to 42

Notes referred above forms integral part of the balance sheet As per our report of even date attached

### NGST & Associates

Chartered Accountants  
Bhupendra Gandhi (Partner)  
sd-  
Mem. No. 122296 / FRN: 135159W  
Place: Mumbai  
Dated: 6<sup>th</sup> May, 2017.

### For and on behalf of Board of Directors

Kamalkumar Dujodwala  
Chairman

Pannkaj Dujodwala  
Managing Director

Shrirang V. Rajule  
Chief Financial Officer

Ankur Gala  
Company Secretary





## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017

PARTICULARS	NOTE NO.	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>INCOME</b>			
Revenue from operations	18	1,765,058,955	1,696,334,288
Other income	19	6,771,716	312,409,178
		<b>1,771,830,671</b>	<b>2,008,743,466</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	1,068,266,421	1,423,709,836
Trading purchase	21	19,436,761	52,414,067
Changes in inventories of Finished Goods & Work-in-Process & Stock in trade	22	149,484,891	56,433,244
Employee benefit expenses	23	89,031,503	99,899,125
Finance cost	24	44,634,373	64,441,897
Depreciation and amortization expenses	10	52,968,725	53,010,088
Other expenses	25	319,269,306	331,923,789
		<b>1,743,091,980</b>	<b>2,081,832,046</b>
Profit before Exceptional / Extraordinary Items and Tax		28,738,690	(73,088,580)
Less: Exceptional Items		--	--
<b>Profit / (Loss) after extraordinary items and before tax</b>		<b>28,738,690</b>	<b>(73,088,580)</b>
<b>Profit / (Loss) before tax</b>		<b>28,738,690</b>	<b>(73,088,580)</b>
Less: Tax expense:			
Current Tax		9,000,000	--
Less: Deferred tax (Income) / Expenses		(27,984,767)	30,322,016
<b>Profit/ (Loss) for the period</b>		<b>47,723,457</b>	<b>(103,410,596)</b>
Earning per equity share {Nominal value of share Rs. 10/-,			
Basic		5.27	(11.42)
Diluted		5.27	(11.42)

Significant accounting policies and notes to financial statements 1 to 42  
Notes referred above forms integral part of the statement of profit and loss  
As per our report of even date attached

### NGST & Associates

Chartered Accountants  
Bhupendra Gandhi (Partner)  
sd-  
Mem. No. 122296 / FRN: 135159W  
Place: Mumbai  
Dated: 6<sup>th</sup> May, 2017.

### For and on behalf of Board of Directors

Kamalkumar Dujodwala  
Chairman

Pannkaj Dujodwala  
Managing Director

Shrirang V. Rajule  
Chief Financial Officer

Ankur Gala  
Company Secretary



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

31-03-2017 (Rs.) 31-03-2016 (Rs.)

### NOTE 1

#### SHARE CAPITAL

##### A) AUTHORISED CAPITAL

1,20,00,000 Equity Shares of Rs. 10/- each 120,000,000 120,000,000

##### B) ISSUED, SUBSCRIBED AND PAID UP

90,52,680 (P. Y. 90,52,680) Equity Shares of Rs. 10/- each 90,526,800 90,526,800

**90,526,800 90,526,800**

Note 1.1 (Of these 431080 equity shares of Rs. 10 each fully paid up issued at premium of Rs. 11.09 per share upon conversion of convertible warrants issued on preferential basis in the F. Y. 2010-11)

##### C) Terms/ rights attached to Equity Shares:

The company has only one class of equity shares having par value of Rs.10/- each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Directors, if any, is subject to the approval of shareholders in ensuing annual general meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares.

##### D) Reconciliation of Outstanding Shares:

	No. of shares as on 31st March 2017	No. of shares as on 31st March 2016
Opening as on 1st April, 2016	9,052,680	9,052,680
Add: Issued during the year	--	--
Closing as on 31st March, 2017	<b>9,052,680</b>	<b>9,052,680</b>

##### E) Details of shareholders holding more than 5% of the total share capital

Name of the Shareholder	No. of shares as on 31st March 2017	% of Holding	No. of shares as on 31st March 2016	% of Holding
Indo Euro Securities Ltd.	1,829,417	20.21	1,829,417	20.21
Manisha Dujodwala	853,250	9.43	853,250	9.43
Alka Dujodwala	578,790	6.39	578,790	6.39
	<b>3,261,457</b>	<b>36.03</b>	<b>3,261,457</b>	<b>36.03</b>

F) Bonus shares / Buy Back / Shares for consideration other than cash issued during the period of five years immediately preceding year ended on 31.03.2017: Nil

- (i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash: Nil
- (ii) Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares: Nil
- (iii) Aggregate number of equity shares bought back: Nil

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>NOTE 2</b>		
<b><u>RESERVES AND SURPLUS :</u></b>		
<b>A) CAPITAL RESERVE:</b>		
Balance as per last balance sheet	7,025,984	7,025,984
Add: During the year	--	--
Balance at the end of the year	<b>7,025,984</b>	<b>7,025,984</b>
<b>B) Securities Premium Account :</b>		
Balance as per last balance sheet	80,996,677	80,996,677
Add: During the year	--	--
Balance at the end of the year	<b>80,996,677</b>	<b>80,996,677</b>
<b>C) General Reserve :</b>		
Balance as per last balance sheet	14,991,838	14,991,838
Less: Sales tax deferment liability.	--	--
Balance at the end of the year	<b>14,991,838</b>	<b>14,991,838</b>
<b>D) Surplus :</b>		
Balance as per last balance sheet	227,620,483	331,031,079
Add: Profit for the period	47,723,457	(103,410,596)
Balance at the end of the year	<b>275,343,940</b>	<b>227,620,483</b>
<b>Total of (A+B+C+D)</b>	<b>378,358,440</b>	<b>330,634,982</b>
<b>NOTE 3</b>		
<b><u>LONG TERM BORROWING</u></b>		
<b><u>Term Loans:</u></b>		
<b><u>Secured Loans - From Banks*</u></b>		
(Refer note no.3.1)		
<b>From The Saraswat Co. op. Bank Limited</b>		
<b>Corporate Loan - Saraswat Bank</b>	46,974,456	61,533,781
Repayable in 60 monthly installments out of which first 12 monthly installments of Rs. 8 Lacs each; next 12 installments are of Rs.10 Lacs each; next 35 monthly installments are of Rs.16 Lacs & next 1 installment is of Rs. 24 Lac.		
<b>Rupee Term Loan I</b>	60,611,507	157,600,000
Repayable in monthly installments after moratorium period of 24 months which will be w.e.f. March-2018 onwards of (a) Rs.15 Lacs x 12, (b) Rs.20 Lacs x 12, (c) Rs. 25 Lacs x 12, (d) Rs.25 Lacs x 12, (e) Rs.35 Lacs x 12, (f) Rs. 40 Lacs x 11, (g) Rs. 20 Lacs x 1		
<b>Rupee term loan II</b>	--	8,014,870
Repayable in 71 monthly installments of Rs.4,75,000 each.		
<b>Rupee Working Capital Demand Loan</b>	--	3,509,316
Repayable in monthly installment of Rs. 123100/- each		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>NOTE 3.1</b>		
*1) Secured against first charge on the present and future fixed assets of the Company (Land & Building, Plant & Machinery)		
*2) Secured against equitable mortgage of factory land & building at Kumbhivali village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410202, Dist: Raigad, and hypothecation of Plant and Machinery.		
*3) Personal Guarantee of Mr. Kamal Dujodwala, Chairman & Mr. Pannkaj Dujodwala, Managing Director of the Company.		
<b>Loan from Reliance Capital Ltd*</b>	--	1,694,122
Repayable in 36 monthly installments of Rs. 2,41,936/- each secured by first charge by way of hypothecation of equipment financed and personal guarantee of Mr. Kamalkumar Dujodwala (Chairman) and Mr. Pannkaj Dujodwala Managing Director of the Company.		
<b>Vehicle Loan (from Banks)*</b>	2,168,490	850,129
* (Secured against specific equipments & vehicle financed and personal guarantee of Mr. Pannkaj Dujodwala, Managing Director of the Company).		
(Vehicle Loans are subject to confirmation)	<b>109,754,453</b>	<b>233,202,219</b>
	C. Y. Rs. in lakhs	P. Y. Rs. in lakhs
Total Long Term Liability	1,225.52	2,557.98
Less:- Maturity within next 12 months	127.98	225.96
<b>Net Long Term Liability</b>	<b>1,097.54</b>	<b>2,332.02</b>
<b>NOTE 4</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
<b>A) Deferred tax liability</b>		
Related to Depreciation and Amortization of Fixed Assets	62,397,907	90,513,853
	<b>62,397,907</b>	<b>90,513,853</b>
<b>B) Deferred Tax Assets</b>		
Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961. (Gratuity, Provision for doubtful debts, Leave encashments)	5,015,743	5,146,922
	<b>5,015,743</b>	<b>5,146,922</b>
<b>Total (A - B)</b>	<b>57,382,164</b>	<b>85,366,931</b>
<b>NOTE 5</b>		
<b>LONG TERM PROVISIONS</b>		
<b>For Employee benefits:</b>		
Provision for gratuity (refer note 32)	9,293,417	8,561,108
Provision for leave encashment (refer note 32)	1,249,446	1,070,133
	<b>10,542,863</b>	<b>9,631,241</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>NOTE 6</b>		
<b>SHORT TERM BORROWING</b>		
<b>Loans repayable on demand</b>		
Cash Credit from The Saraswat Co. op. Bank Ltd. (refer note No. 6.1)	101,735,725	166,725,697
Working Capital Loan (refer note No. 6.1) (includes buyers credit, pre-shipment / post shipment credit)	278,383,952	215,085,734
	<b>380,119,677</b>	<b>381,811,431</b>

### NOTE 6.1

The borrowings are secured by :

- Against hypothecation of Inventories and Book Debts.
- Equitable mortgage of Factory Land and Building at Kumbhivali village, Savroli Kharpada Road, Tal. Khalapur, Khopoli - 410202, Dist. Raigad, Maharashtra.
- Hypothecation of Plant and Machinery.
- Personal Guarantee of Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala Directors of the Company.

### NOTE 7

#### TRADE PAYABLES

Due to Micro, Small and Medium Enterprises (refer Note No. 7.1)	1,035,000.00	--
Due to others	122,946,397	183,745,672
	<b>123,981,397</b>	<b>183,745,672</b>

NOTE - 7.1 Due to micro & medium, small enterprises :-

The Company is in process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is not readily available, no disclosure have been made in the accounts. However, in view of the management the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

#### Note 7.2

Trade payable includes Rs. 8,21,32,608/- to foreign creditors which is sub-judiced and therefore rupees liability is frozen.

#### Note 7.3

Trade payables are subject to confirmations.

### NOTE 8

#### OTHER CURRENT LIABILITIES

Current maturities of long term debts (refer note No. 3 & 3.1)	12,798,708	22,596,326
Unpaid dividend	1,068,245	1,068,245

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017.

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>Other payables:</b>		
TDS payable	--	557,475
Sales tax payable	2,517,008	2,177,738
Other statutory dues payable	600	397,762
Excise duty payable on closing stock of finished goods	11,646,282	25,675,678
Sundry Creditors for expenses	33,619,992	25,256,253
Advance from customers including Rs. 5661246/- (P. Y. Rs. 3097958/-) from related party	16,203,384	19,324,080
Salaries payable	3,852,464	4,570,283
Advance from Contractors/ Service providers	12,957,438	11,036,738
Other liability (incl. Godown Rent Rs. 992000/-)	1,016,116	1,068,078
	<b>95,680,238</b>	<b>113,728,655</b>

### Note 8.1)

Sundry creditors for expenses, advance from customers and advance from contractors / service providers are subject to confirmation.

### Note 8.2)

Advance from customers includes Rs. 5661246/- from the related party as per transactions specified in business paralance.

## NOTE 9

### SHORT TERM PROVISIONS

#### For Employee benefits:

Provision for gratuity (Note No. 32)	3,276,102	2,555,108
Provision for Leave encashment (Note No. 32)	101,695	125,498
<b>Provision for Income Tax</b>	<b>9,000,000</b>	<b>--</b>
	<b>12,377,797</b>	<b>2,680,606</b>

## MANGALAM ORGANICS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

#### NOTE - 10

#### TANGIBLE ASSETS:

Particulars of Assets	GROSS CARRYING AMOUNT			DEPRECIATION				NET CARRYING AMOUNT	
	As on 01.04.16	Addition/ adjustment	Deduction/ adjustment	As on 31.03.17	Upto 1.04.16	For the Year	Deduction/ Adjustment	Upto 31.03.2017	As on 31.03.2017
Land	15,683,087	-	-	15,683,087	-	-	-	-	15,683,087
Residential Colony	5,435,483	-	-	5,435,483	2,795,779	172,305	-	2,968,084	2,467,399
Factory Building	108,344,882	-	-	108,344,882	55,494,202	3,434,533	-	58,928,735	49,416,147
Plant and Machinery	690,992,012	22,950,389	1,278,181	712,664,220	427,713,349	44,447,234	1,213,605	470,946,978	241,717,242
Vehicles	20,817,272	2,591,916	858,090	22,551,098	14,950,295	2,148,336	784,217	16,314,414	6,236,684
Furniture & Fixture	7,294,368	1,137,448	-	8,431,816	3,780,031	464,437	-	4,244,468	4,187,348
Office Equipment	5,407,556	662,538	12,648	6,057,446	3,303,947	1,145,960	-	4,449,907	1,607,539
Computers	4,140,132	378,447	102,250	4,416,329	2,592,731	1,086,355	103,588	3,575,498	840,831
Office Premises	366,131	-	-	366,131	181,429	69,565	-	250,994	115,137
Total	858,480,923	27,720,738	2,251,169	883,950,493	510,811,763	52,968,725	2,101,410	561,679,078	322,271,415
Capital work in progress	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>858,480,923</b>	<b>27,720,738</b>	<b>2,251,169</b>	<b>883,950,493</b>	<b>510,811,763</b>	<b>52,968,725</b>	<b>2,101,410</b>	<b>561,679,078</b>	<b>322,271,415</b>
Previous year	913,789,347	19,635,733	74,944,157	858,480,923	480,744,776	53,010,088	22,943,102	510,811,762	347,669,161
									477,527,065

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>NOTE - 11</b>		
<b><u>NON -CURRENT INVESTMENT</u></b>		
(Valued at cost unless otherwise stated)		
<b>(Unquoted, non-trade)</b>		
The Saraswat Co. op. Bank Limited	25,000	25,000
<b>Face value      No. of shares      Amount</b>	<b>25,000</b>	<b>25,000</b>
Rs. 10/-              2500              Rs. 25000/-		
(Aggregate amount of unquoted investment)	25,000	25,000
(Provision made for diminution in value of investment)	Nil	Nil
<b>Quoted Investments</b>		
Total cost of Quoted Investments	Nil	Nil
Total cost of Un-quoted Investments	25,000	25,000
<b>NOTE - 12</b>		
<b><u>LONG -TERM LOANS AND ADVANCES</u></b>		
(Unsecured, considered good)		
Security deposits	1,732,440	2,725,620
	<b>1,732,440</b>	<b>2,725,620</b>
<b>NOTE - 13</b>		
<b><u>INVENTORIES</u></b>		
(Valued at cost or net realizable value)		
Raw materials	133,787,955	59,451,515
Work-in-process	71,800,130	93,944,523
Finished goods	148,355,485	275,695,983
Stores and spares	9,075,250	7,248,000
Power & fuel	7,860,474	2,559,777
Packing materials	4,402,040	1,618,617
Stock in Trade	100,180	100,180
	<b>375,381,514</b>	<b>440,618,595</b>
<b>NOTE - 14</b>		
<b><u>TRADE RECEIVABLES</u></b>		
<u>Outstanding for more than 6 months from due date</u>		
Considered good	25,643,971	31,260,538
Considered doubtful	1,250,978	6,749,820
	26,894,949	38,010,358
Less Provision for Doubtful debts	1,250,978	6,749,820
	25,643,971	31,260,538
Outstanding for less than 6 months from due date	146,767,730	90,688,192
	<b>172,411,702</b>	<b>121,948,730</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
--	------------------	------------------

**NOTE - 14.1** Trade receivable are subject to confirmations.

### NOTE - 15

#### CASH AND BANK BALANCES

##### CASH AND CASH EQUIVALENTS

Balance with banks	10,421,134	3,412,189
Cash on hand	409,422	560,202
	<u>10,830,556</u>	<u>3,972,391</u>

##### OTHER BANK BALANCES:

Balance in unpaid dividend account	1,083,745	1,083,745
Margin Deposits including fixed deposits (pledged with Bank)	35,205,169	25,980,348
	<u>36,288,914</u>	<u>27,064,093</u>
	<u><b>47,119,470</b></u>	<u><b>31,036,484</b></u>

### NOTE 16

#### SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

Advance to Suppliers	54,039,447	11,000,900
Advance to Staff	20,594	99,035
VAT Refund receivable	654,004	22,441,135
Insurance Claim Receivable (refer Note No.42)	162,643,552	303,550,698
Export Benefit / SAD Refund receivable	281,446	671,342
Deposits (incl. Telephone, Godown/Office Rent)	1,028,881	1,032,541
Deposit for premises to Dujodwala Resins & Terpenes Ltd (Related party)	50,000,000	50,000,000
Advance for services (others)	9,393,190	1,582,816
Balance with excise authorities	55,426,328	90,935,669
Advance Income Tax & TDS (net of provisions) [includes provision for tax C.Y. Rs. 90,00,000/- (P. Y. Nil/-) and TDS C. Y. Rs. 219172/- (P. Y. Rs.238454/-)]	5,057,250	5,758,351
	<u><b>338,544,692</b></u>	<u><b>487,072,487</b></u>

NOTE - 16.1 Advances given are subject to Confirmation

### NOTE 17

#### OTHER CURRENT ASSETS

Prepaid expenses	441,225	232,460
	<u><b>441,225</b></u>	<u><b>232,460</b></u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>NOTE 18</b>		
<b>REVENUE FROM OPERATIONS</b>		
<u>Sale of Products</u>		
Local Sales	1,862,539,699	1,679,386,820
Less: Excise duty	201,910,502	189,418,605
	1,660,629,198	1,489,968,214
Export Sales	82,801,325	1,42,888,850
Trading Sales	21,628,433	63,477,224
	<b>1,765,058,955</b>	<b>1,696,334,288</b>
<b>NOTE 19</b>		
<b>OTHER INCOME</b>		
Excise - SAD refund	109,503	1,755,699
Dividend on non current investments	3,750	3,750
Interest on FDR & others	3,296,520	3,189,637
Export benefit	52,141	688,812
Miscellaneous income	3,309,801	306,771,281
	<b>6,771,715</b>	<b>312,409,178</b>
<b>NOTE 20</b>		
<b>COST OF MATERIALS CONSUMED:</b>		
Inventory at the beginning of the year	59,451,515	210,010,230
Add: Purchases	1,142,602,861	1,273,151,121
	1,202,054,376	1,483,161,351
Less: Inventory at the end of the year	133,787,955	59,451,515
Cost of materials consumed	<b>1,068,266,421</b>	<b>1,423,709,836</b>
<b>NOTE 21</b>		
<b>TRADING PURCHASE</b>		
Trading purchases	19,436,761	52,414,067
	<b>19,436,761</b>	<b>52,414,067</b>
<b>NOTE 22</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>WORK-IN-PROCESS AND TRADING STOCK</b>		
<b>Inventories at the end of the year</b>		
Work-in-process	71,800,130	93,944,523
Finished goods	148,355,485	275,695,983
Stock in Trade	100,180	100,180
(A)	220,255,795	369,740,686



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017.

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
<b>Inventories at the beginning of the year</b>		
Work-in-process	93,944,523	128,315,944
Finished goods	275,695,983	290,437,129
Stock in Trade	100,180	7,420,858
(B)	369,740,686	426,173,931
Total (B - A)	<b>149,484,891</b>	<b>56,433,244</b>
<b>NOTE 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	80,197,791	92,353,862
Directors remuneration	2,400,000	2,400,000
Contribution to Provident Fund and other funds	2,115,050	2,425,903
E.S.I.C. (Employers Contribution)	267,329	--
Gratuity & Leave Expenses	1,608,813	87,090
Staff welfare expenses	2,442,520	2,632,270
	<b>89,031,503</b>	<b>99,899,125</b>
<b>NOTE 24</b>		
<b>FINANCE COSTS:</b>		
On term loan	23,926,086	14,184,135
On other facilities	14,881,894	42,560,222
Interest to others	1,690,479	2,322,521
Bank and LC charges	4,135,914	5,375,019
	<b>44,634,373</b>	<b>64,441,897</b>
<b>NOTE 25</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing expenses:</b>		
Consumption of Stores and Spare parts	16,477,699	5,295,549
Repairs & Maintenance- Building & others	4,614,721	3,886,903
Repairs & Maintenance - Machinery	16,466,076	14,014,625
Power and Fuel	70,302,253	105,199,584
Consumption of Packing Materials	26,345,109	18,703,869
Boiler expenses	1,884,005	2,450,241
(Increase) / decrease in excise duty on closing stock of finished goods	(14,029,396)	9,993,239
(A)	<b>122,060,467</b>	<b>159,544,009</b>
<b>Administrative and other expenses:</b>		
Export expenses	845,398	11,837,288
Freight and Forwarding	31,659,835	28,812,964

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017.

	31-03-2017 (Rs.)	31-03-2016 (Rs.)
Foreign exchange fluctuation	--	14,157,037
Insurance	2,394,046	2,413,068
Legal and professional fees	7,527,889	6,038,652
Loss (due to fire P/M)	--	51,051,416
Short Insurance claim received	123,307,146	22,089,094
Loss / (Profit) on sales of fixed assets	9,373	538,036
Rebate and discounts on sales	384,146	3,217,483
Rates and Taxes	7,133,067	13,511,074
Traveling & Conveyance	8,829,256	8,393,528
Bad Debts written-off	6,333,114	1,261,002
Miscellaneous expenses	8,355,568	8,399,136
Payment to auditor:		
Audit fees	330,000	500,000
Tax audit fees	100,000	160,000
(B)	197,208,839	172,379,779
<b>Total (A + B)</b>	<b>319,269,306</b>	<b>331,923,788</b>

### I). NOTES TO ACCOUNTS

#### 26. SIGNIFICANT ACCOUNTING POLICIES

##### 1. **Basis of preparation**

- The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.
- Accounting policies not specifically referred to otherwise, have been followed consistently and are in consonance with generally accepted accounting principles.

##### 2. **Use of estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

##### 3. **Tangible assets and depreciation**

- Fixed Assets are stated at cost net of Cenvat / value added tax and includes amount added on revaluation less accumulated depreciation and impairment loss, if any. All cost is inclusive of freight, duties, (net of tax credits as applicable) levies and any directly attributable cost till commencement of commercial production.
- Depreciation on fixed assets is provided on a pro-rata basis on the straight-line method over the useful life of the assets as prescribed in schedule II of the Companies Act, 2013.
- Capital work in progress includes incidental expenses pending allocation/ apportionment in respect of the uninstalled/ incomplete Fixed Assets and advances to suppliers of Plant & Machinery, equipment etc.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015.

### 4. Valuation of inventory

Inventories are valued at lower of cost or net realizable value, after providing for obsolescence and damages as follows:

a)	Raw Material, Packing Material, Stores and Spares	At Cost on weighted average basis.
b)	Material in Process	At Cost, plus appropriate production overheads.
c)	Finished Goods	At cost, plus appropriate production overheads, including excise duty paid/ payable on such goods if applicable.

### 5. Revenue recognition

- Sales are recognized, net of returns and trade discounts, on dispatch of goods to customers and are reflected in the accounts at gross realizable value i.e. Inclusive of excise duty but excluding Sales Tax/ VAT.
- In appropriate circumstances, revenue (Income) is recognized when no significant uncertainty as to measurability or collectibles exists and in case of export benefits / incentives are accounted on accrual basis.
- Interest income is recognized on time proportionate method.

### 6. Employee retirement benefits

#### i. Defined Contribution Plans:

The Company has defined contribution plan for Post –employment benefits in the form of Provident Fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner. The Company has no further obligations beyond its monthly contribution.

#### ii. Defined Benefits Plans:

Funded Plan: The Company has defined benefit plan for Post-employment benefit in the form of Gratuity for all employees.

Liability for above defined benefit plan is provided on the basis of actuarial valuation as per the requirements of Accounting Standard 15 (Revised 2005) on “Employee Benefits”, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

#### iii. Other Long Term Employee Benefits:

Liability for compensated absence (unutilized leave benefit) is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method in respect of past services.

- Termination benefits are recognized as an expense as and when incurred.
- The actuarial gains and losses arising during the year are recognized in the statement of profit and loss of the year without resorting to any amortization.

### 7. Investments

Long term Investments are stated at cost. Temporary fall in market value, if any, is not provided for. Current Investments are carried at lower of cost and fair value.

### 8. Foreign currency transactions

- Monetary and Non-Monetary items/ transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- Monetary items denominated in foreign currencies are recorded at the original rate of exchange in-force at the time transactions are affected. Foreign Currency transactions remaining unsettled at the year-end are translated at the rate prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities of realized gains or losses on foreign exchange transaction are recognized in the statement of profit and loss.

### 9. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of such assets for the period until the asset is ready for its intended use. Other borrowing costs are recognized as an

expense in the period in which they are incurred. A qualifying asset is one that takes substantial period of time to get ready for intended use.

#### 10. Taxes

- i. Current Tax has been provided as per the provisions of Income Tax Act, 1961.
- ii. Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- iii. Deferred Tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that has been enacted or substantively enacted by the balance sheet date, to the extent that the timing differences are expected to crystallize as deferred tax charge / benefit in the statement of Profit and Loss and as deferred tax asset or liabilities in the Balance Sheet. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.
- iv. Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT credit entitlement. The company reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income-tax during specified period.

#### 11. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities are disclosed separately.

#### 12. Impairment of Assets (AS-28)

At each balance sheet date, the Management reviews the carrying amounts of assets and goodwill included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets and goodwill is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the assets.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

#### 13. Excise duty and CENVAT credit

Excise duties recovered are included in Sales and shown separately in financial statement as deduction from sales. Excise duty provision made in respect of finished goods lying at factory premises are shown separately as an item of manufacturing and other expenses and included in the valuation of finished goods. Cenvat credit available on purchases of service / materials / capital goods is accounted by reducing cost of services / materials / capital goods. Cenvat credit availed of is accounted by way of adjustment against excise duty payable on dispatch of finished goods.

#### 14. Customs duty

Customs Duty on goods lying in Custom Bonded Warehouse is charged in the year of clearance of goods when it becomes payable.

#### 15. Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue

allotment of equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### 16. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

#### 17. Miscellaneous Expenditure

Miscellaneous Expenditure is debited fully in the year in which expenditure is incurred

### II). NOTE TO ACCOUNTS

#### 27. Contingent liabilities - Not provided for in respect of

i.	31 <sup>st</sup> March 2017 (Rs.)	31 <sup>st</sup> March 2016 (Rs.)
Bank Guarantee	44,39,320	32,59,493

Bank guarantees issued by banks on behalf of the Company Rs. 44.39 Lacs (Previous Year Rs. 32.59 Lacs). These are secured by the charge created in favour of the Company's bankers by way of pledge of Fixed Deposit Receipts.

- ii. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. NIL (P.Y. Rs. NIL)

#### iii. Excise Duty

	31 <sup>st</sup> March 2017 (Rs.)	31 <sup>st</sup> March 2016 (Rs.)
Feb 04 to May 05 (Camphor Price Difference Duty)	2,47,49,315	2,47,49,315
April 99 to August 03 (Rosin & Turpentine Central excise duty)	10,91,99,456	10,91,99,456
Sept 03 (Rosin & Turpentine Central excise duty)	50,760	50,760
Oct 03 to March 04 (Rosin & Turpentine Central excise duty)	66,44,602	66,44,602
April 04 to Nov 04 (Rosin & Turpentine Central excise duty)	1,01,92,867	1,01,92,867
Dec 04 to Sept 05 (Rosin & Turpentine Central excise duty)	81,44,105	81,44,105
July 99 to Jan-04 ( Interest)	91,30,615	91,30,615
Sept-03 to Nov-04 ( Interest Rosin & Turpentine)	2,20,73,762	2,20,73,762

- a) In earlier year, Company had received Show Cause Notice from the Excise Department for the period February 2004 to May 2005 demanding sum of Rs. 2,47,49,315/- for Excise Duty on price difference. The Company received Order in its favour from CESTAT against the Order passed by the Commissioner of Central Excise & Custom, against which the department filed a Civil Appeal in Supreme Court. The Apex Court vides its Order dated 18<sup>th</sup> November 2015, directed Commissioner to determine the correct duty liability based on the calculation submitted and arrive at correct transaction value after giving permissible deduction. The Commissioner of Central Excise & Custom vide its Order dated 30<sup>th</sup> December 2016 determined excise duty liability of Rs.64,52,240/- against which Company has already debited Rs 11,12,067/- in RG 23 Part II on 31<sup>st</sup> March 2016. Further, against the Order passed by Commissioner of Central Excise & Custom, the Company has filed an appeal in CESTAT.
- b) In earlier year, Company had received notice from Commissioner of Central Excise & Customs determining interest liability on excise duty demand for the period July 1999 to January 2004 of Rs.1,68,38,001/- as against

interest liability of Rs.77,07,386/- as calculated and paid by the Company in financial year 2011-12. The excise department demanded balance interest of Rs.91,30,615/- (Rs.1,68,38,001/- minus Rs.77,07,386/-) from the Company and recovered an amount of Rs.35,19,301/- out of export rebate of the Company and an amount of Rs.56,11,314/- was paid by the Company by debiting RG-23 Part II. As the Company did not agreed to the interest calculation of the department, it has filed an appeal before the Commissioner of Central Excise and Customs (Appeals) and the amount of Rs.91,30,615/- paid has been shown as paid under protest.

- c) The Excise department had appealed in CESTAT, against the Order decided in favour of Company by Commissioner of Central Excise and Customs (Appeals) for the Show Cause Notice issued for Rs.11,58,94,818/- in respect of Excise Duty on Turpentine & Rosin manufactured (exempted from excise manufactured without aid of power) for the period April 99 to March 04. For the subsequent show cause notice for the period April 04 to November 04 for Rs. 1,01,92,867/-, Company obtained Stay Order from CESTAT against the Order passed by the Commissioner. For all these Show Cause Notices, covering period from April-99 to November-04, CESTAT passed Order, confirming cum-duty demand for the normal period. In pursuance to said Order, during the financial year 2015-16, Company paid under protest Rs. 1,45,58,818/- towards excise duty as demanded by Commissioner of Central Excise & Customs for the period September-03 to November-04. Appeal is now pending before Mumbai High Court against all of the above said Show Cause Notices. For the subsequent Show Cause Notice received for the period December 04 to September 05 for Rs 81,44,105/-, appeal has been filed in CESTAT for adjudication against the order passed by the Commissioner of Central Excise & Custom confirming the demand, which has been provided for in books of account and an amount of Rs 6,10,808 has been paid in cash for the appeal and the balance amount of duty for Rs 63,90,658/- has been debited in RG 23 Part II on 01.09.2015 after taking cum-duty benefit.
- d) During the previous year, Company had also received notice from Commissioner of Central Excise & Customs, determining interest on excise duty for the period Sept-03 to Nov-04 amounting to Rs.2,20,73,762/- against which Company had paid Rs. 20,00,000/- under protest in the last financial year and further amount of Rs 2,00,73,762/ have been appropriated from the export rebate refund for the period Feb 2015 to April 2016. Against the said interest demand, Company had filed appeal for adjudication before Commissioner Appeal for correctly determination of duty and interest liability thereon. The Commissioner Appeal decided the matter in our favour and against which the department has filed appeal in CESTAT.
- e) Company's Petition for IIC notification (without aid of power) was rejected by Delhi High Court and against which SLP was filed in Supreme Court. The Supreme Court has rejected the Company appeal and against which Review Petition is being filed by the Company in Apex Court. If decision is reviewed in Company's favour, then the above excise liabilities will be null and void and Company would be entitled for refund of excise duty & interest recovered/appropriated/ paid under protest to the tune of Rs 4,36,34,046/- (1,45,58,818 + 6,10,808 + 63,90,658 + 2,20,73,762).
- iv. Letter of credit issued by the bankers of the Company Rs. 29,61,43,961/- (P.Y. Rs. 21,40,70,143/-).
- v. The Company has cleared 19 MT of Penta erythritol against Bill of Entry No. 616414 dated 20.10.2005. The custom department had asked the Company to pay Rs. 2,16,772/- on account of Anti Dumping Duty for clearance of the said goods as per Notification No. 93/2005 of customs issued on 20.10.2005 wherein the said goods were covered for levy of anti dumping duty imported from certain countries. The Company has deposited the said amount on



25.11.2008 as per CESTAT order No. S/603/WAB/MUM/2008/CSTB/CII dated 20.10.2008, but no provision has been made in books of accounts as the management is of the view that the consignment will not be covered under the notification, as on date of clearance of the goods the notification was not published in Gazette of India.

- vi. The Company has imported certain raw materials during the earlier years of which the supplies being defective have been disputed by the Company with the suppliers and accordingly payment has not been made to the suppliers of Rs. 8,21,32,608/-. The party has filed litigation for the same during current financial year for which the Company has not acknowledged the claim. The Company is contingently liable to pay interest & foreign exchange fluctuation impact, if any. The necessary RBI permission either for write backs or payments will be made based on the judicial decision, since the matter is sub-judice in the Bombay High Court.

## 28. Segment reporting

The Company is mainly engaged in the business of Manufacturing of Chemicals. Considering the nature of business and financial reporting of company, the company has only one segment viz "Chemicals" product as reportable segment. The company operates in Local/Export segment geographically of which the exports have amounted to Rs. 828.01 Lacs (P.Y.Rs. 1,428.89 Lacs) out of Total Turnover of Rs. 17,650.59 Lacs (P.Y.Rs. 16,963.34 Lacs). But due to the nature of business, the assets/liabilities and expenses for these activities cannot be bifurcated separately.

29. In consonance with the Accounting Standards on Inventory Valuation (AS2) and Guidance Note on Accounting Treatment for Excise issued by The Institute of Chartered Accountants of India, the Company has provided for liability of excise duty payable on finished goods amounting to Rs. 116.46 Lacs (P.Y. Rs. 256.76 Lacs).

## 30. Earnings per share (EPS)

Sl. No.	Description	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
a)	Weighted average number of equity Shares of Rs.10/- each		
	a) Number of shares at the Beginning of the year	90,52,680	90,52,680
	ii) Number of shares at the End of the year	90,52,680	90,52,680
	Weighted average number of Equity Shares – Basic	90,52,680	90,52,680
	Weighted average number of Equity Shares – Diluted	90,52,680	90,52,680
b)	Net profit after tax available for Equity share-holders	4,77,23,457	(10,34,10,596)
c)	- Basic Earnings per Equity Share (in Rupees)	5.27	(11.42)
	- Diluted Earning per Equity Share (in Rupees)	5.27	(11.42)

## 31. Related parties' disclosure as per Accounting Standard 18.

[A] Key Management Personal (KMP) and their Relatives.

Kamalkumar R. Dujodwala	Chairman
Pannkaj R. Dujodwala	Managing Director
Akshay Dujodwala	Son of Chairman
Mrs. Manisha P. Dujodwala	Spouse of Managing Director
Mrs. Alka K Dujodwala	Spouse of Chairman

[B] Companies /Firm controlled by Directors/Relatives who have the authority and controlling their activities.

- Balaji Pine Chemicals Ltd
- Speciality Chemicals
- Dujodwala Resin & Terpenes Ltd.
- Indo-Euro Securities Ltd.
- Dujodwala Exports Pvt. Ltd.
- Inspirations.
- Dujodwala Charities
- Pine Forest Products & Investment Pvt. Ltd.

The directors are the key management Personal (KMP) who has the authority and controlling the activities of the Company.

[C] Information on related party transactions as required by accounting Standard-18 for the year ended 31<sup>st</sup> March 2017:

Nature of transactions	Relationship	Total Rs. In Lakhs	
		2016-17	2015-16
Remuneration			
Kamal Dujodwala	Key management personnel	12.00	12.00
Pannkaj Dujodwala	Key management personnel	12.00	12.00
Akshay Dujodwala	Key management personnel	06.00	05.50
<b>TOTAL</b>		<b>30.00</b>	<b>29.50</b>

Nature of transactions	Relationship	Nature	Amount in Lakhs	
			2016-17	2015-16
Net Loans & Advances, Deposits given / Returned/Taken				
Dujodwala Resins & Terpenes Ltd	Associates	Rent Deposit	500.00	500.00
Dujodwala Resins & Terpenes Ltd	Associates	Adv. For Service charges/ supply of material	(30.98)	77.30
<b>Total</b>			<b>500.00</b>	<b>469.02</b>

Nature of transactions	Relationship	Total Rs. In Lakhs	
		2016-17	2015-16
Revenue from operations			
Dujodwala Resins & Terpenes Ltd	Associates	--	102.94
<b>Purchase from Associates</b>	Associates	<b>7.16</b>	<b>--</b>

Note: - Related party relationship is as identified by the Company and relied upon by the Auditors.

### 32. Disclosure in accordance with Revised AS - 15 on "Employee Benefits"

The Company has classified the various benefits provided to employees as under: -

#### (i) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Employers Contribution to Provident Fund	21,15,050	24,25,903

#### (ii) Defined Benefit Plan

Gratuity Fund:

<b>a. Major Assumptions</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
	(% p.a.)	(% p.a.)
Discount Rate	7.00	7.85
Expected Rate of Return on Plan Assets	--	8.00
Salary Escalation Rate	5.00	5.00
Attrition Rate	2.00	2.00
@ The estimates for the future salary increases considered takes into account the Inflation, seniority, promotion and other relevant factors.		
<b>b. Change in the Present Value of obligation</b>		
Opening Present Value of Obligation	1,11,16,216	11,610,865
Current Service Cost	10,21,791	9,47,419
Interest Cost	7,72,335	8,14,737
Benefit Paid	(12,70,622)	(24,64,089)
Actuarial Loss on Obligations	9,29,799	2,07,284
Closing Present Value of Obligation	1,25,69,519	11,116,216
<b>c. Change in Fair Value of Plan Assets.</b>		
Opening Present Value of Plan Assets	--	--
Expected Return on Plan Assets	--	--
Actuarial (Loss) on Plan Assets	--	--
Contributions	12,70,622	24,64,089
Benefits paid	(12,70,622)	(24,64,089)
Closing Present Value of Plan Assets	--	--
<b>d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
Present value of Funded Obligation as at March 31, 2017	--	--
Fair Value of Plan Assets as at March 31, 2017	--	--
Funded Status	--	--
Present Value of Unfunded Obligation as at March 31, 2017	12,569,519	11,116,216
Unfunded Net Liability Recognized in the Balance Sheet Disclosed in long term provisions	12,569,519	11,116,216
<b>e. Amount Recognized in the Balance Sheet</b>		
Present Value of Obligation as at March 31, 2017	12,569,519	11,116,216
Fair Value of Plan Assets as at March 31, 2017	--	--
Liability Recognized in the Balance Sheet and disclosed under provisions	12,569,519	11,116,216
<b>f. Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	10,21,791	9,47,419
Interest Cost	7,72,335	8,14,737
Expected Return on Plan Assets	--	--
Net Actuarial Losses Recognized in the Statement of Profit and Loss	9,29,799	2,07,284
Total expenses Recognized in the Statement of Profit and Loss	27,23,925	19,69,440
Actual Return on Plan Assets	Nil	Nil

iii) **Defined Benefit Plan for Leave Encashment Benefits**

**Valuation Method**

The method of Valuation adopted was the Projected Unit Credit Method as specified in AS-15 (Revised 2005) of I.C.A.I.

**Valuation Results**

Actuarial Value of Leave Encashment

Benefits as on 31<sup>st</sup> March, 2017 in **Rs. 13,51,141/-**

BREAK-UP OF ABOVE : Current Liability Rs. 1,01,695/-  
Non Current Liability Rs. 12,49,446/-

**33. Expenditure in Foreign Currency on account of**

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
- Raw Material (CIF)	9,877.08	9694.24
- Traveling Expenses	18.30	--
- Purchase of Trading Goods	--	84.10

**34. Earning in Foreign Currency on Account of**

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
Exports made on FOB Basis	756.04	1273.61

**35. The details of Specified Bank Notes (SBN's) held and transacted during the period November 8, 2016 to December 31, 2016 as per the table below:**

Particulars	SBN's (*)	Other denominations	Total
Closing cash in hand as at November 8, 2016	19,14,000	1,73,002	20,87,002
Add: Permitted receipts	--	36,52,894	36,52,894
Less: Permitted payments	--	18,53,682	18,53,682
Less: Amount deposited in Banks	19,14,000	16,69,701	35,83,701
Closing balance as at December 31, 2016	--	3,02,513	3,02,513

\* For the purposes of the clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S. O. 3407(E) dated the 8<sup>th</sup> November 2016.

- 36.** Provision for current taxation is made for Rs. 90 Lacs in the current accounting period (reporting period) in accordance with Income Tax Act 1961 for relevant assessment year.
- 37.** In the opinion of the management, there is no impairment of assets in accordance with Accounting Standard (AS-28) as on Balance Sheet date.
- 38.** The balance of Sundry Debtors, Sundry Creditors, Loans & Advances and others are shown net of advances from/to Customers/Suppliers of the same party and are as per books and subject to confirmations and reconciliation if any.



39. In the opinion of the Board and to the best of their knowledge the value of realization of current assets, loans & advances in the ordinary course of business, would not be less than the amount at which they are stated in the Balance Sheet.
40. The Balance-sheet of the Company has been prepared as per schedule III of the Companies Act, 2013.
41. There was major fire in the Company's plant at Kumbhivali in the first quarter of financial year 2015-16, for which claim of Rs. 30.60 crore was lodged with the insurance company. Out of this claimed amount, Company had received Rs. 24 Lakhs in 4th quarter of F.Y. 2015-16. Further, Management was confident of expediting and settling balance claim amount from the insurance Company and therefore claim amount of Rs. 30.36 crore was disclosed as "Insurance Claim Receivable" under Short Term Loans and Advances. However, during the year, Company has received surveyor's final report dated 29<sup>th</sup> March, 2017 wherein final loss was assessed at Rs. 18.02 crores and therefore balance amount of Rs. 12.33 crores not recoverable has been written off in Statement of Profit & Loss.
42. Previous year figures have been regrouped and reclassified to confirm with current year's presentation and classification.

As per Annexed Report of Even Date

For NGST & Associates  
Chartered Accountants  
Firm Reg. No. 135159W

Bhupendra Gandhi  
Partner  
Mem. No. 122296

Place: Mumbai  
Dated: 06<sup>th</sup> May, 2017.

#### For and on behalf of Board of Directors

Kamalkumar Dujodwala  
Chairman

Shrirang V. Rajule  
Chief Financial Officer

Pannkaj Dujodwala  
Managing Director

Ankur Gala  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	28,738,690	(73,088,580)
<b>Adjustment For :</b>		
Depreciation	52,968,725	53,010,088
Interest Income	(3,296,520)	(3,189,637)
Dividend received	(3,750)	(3,750)
Interest paid	44,634,373	64,441,897
(Profit) / Loss on sale of fixed assets & loss by fire	(354,286)	96,311,047
<b>Operating Profit before working capital changes</b>	<b>122,687,233</b>	<b>137,481,065</b>
<b>Adjustment For :</b>		
Trade & other receivables	98,148,137	(134,524,734)
Inventories	65,237,081	212,854,370
Trade and other Payables	(76,203,878)	(98,446,667)
<b>Cash generated from operations</b>	<b>209,868,573</b>	<b>117,364,034</b>
Income tax Paid	703,444	--
<b>Net Cash from Operating Activities - I</b>	<b>210,572,016</b>	<b>117,364,034</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(28,517,109)	(19,635,733)
Interest Income	3,296,520	3,189,637
Dividend Received	3,750	3,750
Sale of Fixed Assets	501,701	172,500
<b>Net Cash used in Investing Activities - II</b>	<b>(24,715,138)</b>	<b>(16,269,846)</b>
<b>C. Cash Flow from financing activities</b>		
(Repayment)/ Proceeds of/ from short term borrowings	(1,691,754)	(197,812,749)
(Repayment)/ proceed of/ from long term borrowings	(123,447,766)	140,531,154
Interest Paid	(44,634,373)	(64,441,897)
<b>Net cash used in financing activities - III</b>	<b>(169,773,893)</b>	<b>(121,723,491)</b>
Net Increase in Cash and Cash Equivalents	16,082,986	(20,629,303)
Opening balance of cash & cash equivalents	31,036,484	51,665,788
Closing balance of cash & cash equivalents	47,119,470	31,036,484

**Notes:**

1. Cash & cash equivalents represents cash and bank balances.
2. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
3. Proceeds from long term and short term borrowings are shown net of repayments.
4. Previous year's figures have been regrouped where necessary to conform to the year's classification.
5. Figures in brackets represents cash outflow.

**NGST & Associates**

Chartered Accountants  
Bhupendra Gandhi (Partner)  
sd-  
Mem. No. 122296 / FRN: 135159W  
Place: Mumbai  
Dated: 6<sup>th</sup> May, 2017.

**For and on behalf of Board of Directors**

Kamalkumar Dujodwala  
Chairman

Pannkaj Dujodwala  
Managing Director

Shrirang V. Rajule  
Chief Financial Officer

Ankur Gala  
Company Secretary



## MANGALAM ORGANICS LIMITED

CIN : L24110MH1981PLCO24742

Kumbhivali Village, Savroli Kharpada Road, Tal: Khalapur, Khopoli-410 202, Dist: Raigad (MS). Tel. : 02192-276140

Email : [info@mangalamorganics.com](mailto:info@mangalamorganics.com), Website : [www.mangalamorganics.com](http://www.mangalamorganics.com)

**35<sup>th</sup> Annual General Meeting – Tuesday, September 26, 2017**

### ATTENDANCE SLIP

DP ID \_\_\_\_\_

Folio No. / Client ID \_\_\_\_\_

Number of Shares held \_\_\_\_\_

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at 35<sup>th</sup> Annual General Meeting of the Company at Kumbhivali Village, Savroli Kharpada Road, Tal: Khalapur, Khopoli - 410 202, Dist: Raigad, Maharashtra, on Tuesday, September 26, 2017 at 10.00 a.m. IST.

\_\_\_\_\_  
Name of the Member / Proxy  
(In Block letters)

\_\_\_\_\_  
Signature of the Member / Proxy

Note : Please fill up the attendance slip and hand it over at the entrance of the meeting hall, Members are requested to bring their copies of the Annual Report to the AGM



## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

## MANGALAM ORGANICS LIMITED

CIN : L24110MH1981PLCO24742

Kumbhivali Village, Savroli Kharpada Road, Tal: Khalapur, Khopoli-410 202, Dist: Raigad (MS). Tel. : 02192-276140

Email : [info@mangalamorganics.com](mailto:info@mangalamorganics.com), Website : [www.mangalamorganics.com](http://www.mangalamorganics.com)

**35<sup>th</sup> Annual General Meeting – Tuesday, September 26, 2017**

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_ Email : \_\_\_\_\_

Folio No./Client Id : \_\_\_\_\_ DP ID : \_\_\_\_\_

I/We being the member(s) of \_\_\_\_\_ shares of the above names Company hereby appoint : \_\_\_\_\_

Name : \_\_\_\_\_ Email : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

Name : \_\_\_\_\_ Email : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

Name : \_\_\_\_\_ Email : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_ Signature: \_\_\_\_\_

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 35<sup>th</sup> AGM of the Company to be held on Tuesday September 26, 2017 at 10.00 a.m. at Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur Khopoli – 410 202, District Raigad, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Resolutions	Vote (Optional See Note No. 2) (Please mention No. of shares)		
		For	Against	Abstain
	<b>ORDINARY BUSINESS</b>			
1.	Adoption of Audited Balance sheet as at 31 <sup>st</sup> March, 2017 and the statement of Profit and Loss for the year for that date together with the reports of the Directors and the Auditors' thereon.			
2.	To appoint Director in place of Mr. Kamal Dujodwala who retires by rotation and being eligible offers himself for reappointment.			
3.	Ratification of the appointment of M/s. NGST & Associates Chartered Accountants as the statutory auditors of the Company.			
	<b>SPECIAL BUSINESS</b>			
4.	Approve remuneration of Cost Auditor			
5.	Approval of the shareholders for the remuneration payable to Mr. Kamalkumar Dujodwala.			
6.	Approval of the shareholders for the remuneration payable to Mr. Pannkaj Dujodwala			
7.	Appointment of Mr. S. N. Baheti as an Independent Director of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_ signature of the Proxy holder(s)

**Note :**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.





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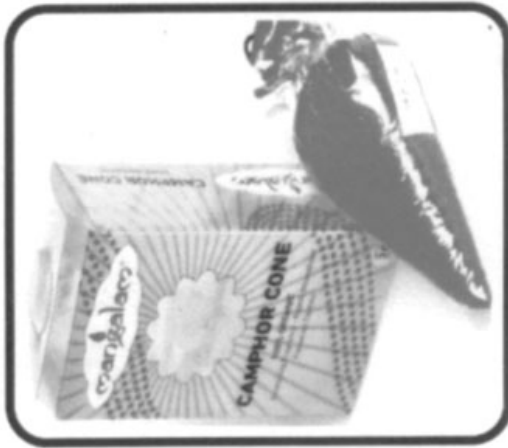
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शास्त्रों के अनुसार शुद्ध कपूर ईश्वर से मिलन का प्रतीक है जो जलकर पूरी तरह विलीन हो जाता है और कोई अवशेष या राख नहीं छोड़ता ।

शुद्ध कपूर से दूर होते हैं मन के विकार, बढ़ती है सुख समृद्धि और प्रकट होते हैं शुभ संजोग ।

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ऋषि मुनियों का मानना है कि...

- शुक्रवार को कपूर दान करने से कारोबार में वृद्धि एवं परिवार में सुख शांति बनी रहती है।
- कपूर के धुंए से शारीरिक कष्ट दूर होते
- विवाह में यदि संकट आये तो शिवलिंग का अभिषेक कपूर से करें।
- प्रति रात कमरे में कपूर जलाने से पितृदोष दूर होता है।
- भय खौफ से छुटकारा पाने के लिए सोते समय कपूर जलायें।



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