



36th Annual Report 2017-2018



**Board of Directors**

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

* Appointed w.e.f. 14th Aug-2017

** Resigned w.e.f. 19th Jul- 2017

Chief Financial Officer

Mr. Shrirang Rajule

Company Secretary

Mr. Ankur Gala

Auditors:

NGST & Associates

(Chartered Accountants)

1111/11th Floor, Ghanshyam Enclave, Laljipada,
Link Road, Kandivali (W), Mumbai -400067.

Cost Auditor

M/s. NKJ & Associates

Bankers:

The Saraswat Co-operative Bank Ltd (Scheduled Bank)

SME Nariman Point Branch, A wing, 1st Floor, Mittal Court,
Mumbai – 400 021.

Audit Committee:

Mr. Sharad Saraf

Mrs. Anita Shriya

Mr. Kamalkumar Dujodwala

Stake Holders Relationship Committee

Mr. Sharad Saraf

Mrs. Anita Shriya

Mr. Kamalkumar Dujodwala

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.

Dist. Raigad, Maharashtra. Tel: 02192-276140

Email: info@mangalamorganics.com Website: www.mangalamorganics.com

CIN : L24110MH1981PLC024742

Nomination and Remuneration Committee

Mr. Sharad Saraf

Mrs. Anita Shriya

Mr. Rajkumar Jatia

CSR Committee

Mr. Sharad Saraf

Mrs. Anita Shriya

Mr. Kamalkumar Dujodwala

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]



NOTICE

Mangalam Organics Limited

Registered Office : Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli,
Dist: Raigad (Maharashtra) Tel No. 02192-276140
Website : www.mangalamorganics.com Email : info@mangalamorganics.com

Notice is hereby given that the 36th Annual General Meeting of the members of **MANGALAM ORGANICS LIMITED** will be held at **Vishwa Niketan Institute of Management (Conference Hall)** Kumbhivali Village, Savroli Kharpada Road, Taluka–Khalapur, Khopoli, District Raigad, Maharashtra on Saturday 29th September, 2018 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon;
“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To declare a dividend on equity shares for the financial year ended March 31, 2018 and in this regard, pass the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** a dividend at the rate of Rs. 1/- (Rupees One only) per equity share of Rs. 10/- (Ten Rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2018 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2018.”
3. To appoint Mr. Kamalkumar Dujodwala, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Kamalkumar Dujodwala (DIN: 00546281), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”
4. Ratification of the appointment of the Auditors
To ratify the appointment of Auditors and in this regard to consider if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of 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) the appointment of M/s. NGST & Associates, Chartered Accountants, (Firm Registration No. 135159W) be ratify as Statutory Auditors of the Company from the conclusion of this meeting upto the conclusion of the 37th Annual General Meeting, being the third consecutive year out of their term of five consecutive years as approved at the 34th Annual General Meeting of the Company on such remuneration as fixed by the Board of Directors of the Company, be and is hereby ratified”.

Special Business:

5. **Ratification of Remuneration of Cost Auditor**
To ratify the remuneration of Cost Auditor and in this regard to consider if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution
“**RESOLVED THAT** in accordance with the provisions of Section 148 and all 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 period 1st April, 2018 to 31st March, 2019 be and is hereby approved and ratified.

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 197, 198 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 to the limit of Rs. 25,00,000/- per month or on such remuneration as may be decided by the Board of Directors subject to the approval of members, to Mr. Kamalkumar Dujodwala as a Director of the Company with effect from 1st November, 2017.

RESOLVED 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 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.”

7. 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 to the limit of Rs. 25,00,000/- per month or on such remuneration as may be decided by the Board of Directors subject to the approval of members to Mr. Pannkaj Dujodwala Managing Director of the Company with effect from 1st November, 2017 for remainder of duration of appointment upto 12th August, 2020.

RESOLVED 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.”

8. APPOINTMENT OF MR AKSHAY DUJODWALA

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

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, consent of the Company be and is hereby granted to the appointment of Mr. Akshay Dujodwala, as Executive of the Company, (Mr Akshay Dujodwala is relative of Mr. Kamalkumar Dujodwala, the Chairman and Mr. Pannkaj Dujodwala, the Managing Director of the Company) to an office or place of profit, with effect from 1st April, 2018 at an annual remuneration of Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakhs Only) inclusive of all, which is commensurate with his experience and as per prevalent industry standards.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be required/ necessary to give effect to the above resolution.”

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala
Chairman

Place : Mumbai

Date : 10th August, 2018.

Corporate Identification Number
L24110MH1981PLC024742



NOTES

1. A member entitled to attend and vote in the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy must be received by the Company at its registered office not less than forty eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility of voting through electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 26.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a Certified True copy of the Board Resolution authorizing their representative to attend and vote on their behalf at 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/ Proxies / authorized representatives should bring the enclosed attendance slip, duly filled in for attending the meeting. Copies of the annual report or attendance slips will not be distributed at the Meeting.
6. The Share Transfer Books and Register of Members of the Company will remain closed from 19th September, 2018 to 29th September, 2018 both days inclusive.
7. The Dividend on Equity Share as recommended by the Directors for the year ended March 31, 2018 if approved at the meeting of the Company will be paid within a period of 30 days from the date of declaration:

(a) to those members whose names appear on the Company's Register of Members after giving effect to all valid shares transfer in physical form lodged with Universal Capital Securities Private Limited Registrar and Share Transfer Agent of the Company on or before 18th September, 2018.

(b) in respect of the shares held in electronic form to those "Deemed Members" whose names appear in the statement of beneficial ownership as on 18th September, 2018 furnished by National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 18th September, 2018.
8. SEBI and the Ministry of Corporate Affairs encourages paperless communication. As a contribution to greener environment Members holding shares in physical mode are requested to register their email, ID's with Universal Capital Securities Private Limited the Registrar and Transfer Agents of the Company and Members holding shares in demat mode are requested to register their email ID with their respective Depository Participants (DP's) in case the same is still not registered. If there is any change in the email ID already registered with the Company, members are requested to immediately notify such change to the Registrar & Share Transfer Agents of the Company in respect of shares held in electronic form.
9. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial Statements, Board's Report etc. and this Notice is being sent by electronic mode to those members who have registered their email ID's with their respective

depository participants or with the Registrars and Share Transfer Agents of the Company unless any member has requested for a physical copy of the same. In case you wish to get physical copy of the Annual Report, you may send your request to karlekar@unisec.in mentioning your Folio / DP ID & Client ID.

10. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in dematerialized form they must quote their DP ID and Client ID number
11. Securities and Exchange Board of India (SEBI) vide Circular No. MRD/DoP/CIR-05/2007 dated April 27, 2007 had made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market private transaction involving transfer of shares of Listed Companies in physical form, it shall be mandatory for the transferees to furnish copy of PAN card to the Company / RTA for registration of such transfer of shares.
12. Pursuant to Section 72 of the Companies Act, 2013 members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrars & Share Transfer Agents. In respect of shares held in electronic / demat form, the members may please contact their respective depository participant.
13. Members are requested to send all communications relating to shares and unclaimed dividends and change of address etc. to the Registrar & Share Transfer Agent at the following address:
Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400093.
Tel. No. +91 (22) 2820 7203-05 / 2825 7641, Fax : +91 22 2820 7207 Email: Karlekar@unisec.in
14. Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") additional Information of directions seeking appointment / reappointment at the meeting are furnished and forms a part of the annual report.
15. Members desirous of seeking any information concerning the accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the request information can be made available at the time of meeting.
16. Unclaimed or Unpaid Dividend
Members are informed that the dividend amount for the year ended 31st March, 2011 remaining unclaimed shall become due for transfer on 1st October, 2018 respectively to the Investor Education and Protection Fund established by the Government in terms of Section 124 of the Companies Act, 2013 on expiry of 7 years from the date of its declaration. Any member who has not claimed final dividend in respect of the financial year 2010-11 onwards is requested to approach the Company / the Registrar and Share Transfer Agent of the Company for claiming the same as early as possible but not later than 1st October, 2018 for dividend of FY 2010-2011. The Company has already sent reminders to all such members at their registered address in this regard.
Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Companies Act and the applicable rules. The members, whose unclaimed dividend / shares transferred to IEPF, may claim the same by making an application to IEPF authority in respective forms available on www.iepf.gov.in.
17. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2018.
18. Any person who acquires shares of the Company and become members of the Company after dispatch of



the notice and holding shares of the cut-off date i.e. may obtain the login ID and password by sending a request at karlekar@unisec.in

However, if you already registered with CDSL for remote evoting, then you may use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evotingindia.com

19. A member may participate in the AGM even after exercising their right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
20. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
21. Mr. Yogesh Sharma, Practicing Company Secretary, ACS, 33235 CP No. 12366 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
22. The Chairman shall at the AGM at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. Members Holding shares in physical form are requested to notify immediately any change in their address with PIN CODES to the Registrar and Share Transfer Agent of the Company at the address given above and in case their shares are held in dematerialized form this information should be passed on directly to their respective depository participant and not to the Company.
24. All documents referred to in the notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 10.00 a.m. to 12.00 noon upto the date of AGM 29th September, 2018.
25. As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 & BSE circular No. List/COMP/15/2018-19 dated 5th July, 2018; no request for effecting transfer of securities (except in case of transmission of securities) shall be processed after December 5th 2018 unless the securities are held in the dematerialized form with the depositories. Hence, you are requested to dematerialize your physical securities at the earliest.
26. Voting Options:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronics means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using as electronic voting system for a place other than venue of the AGM ("remote e-Voting") will be provided by Central Depository Securities (India) Limited.
 - II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
 - III The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM

but shall not be entitled to cast their vote again.

- IV. The remote e-voting period commence on 26th September, 2018 (IST 9.00 A.M.) and ends on 28th September, 2018 (IST 5.00 p.m.). During this period members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date of 22nd September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner of e-voting are as under:
- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders / Members
 - (iv) 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.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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"> 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. as affixed on Annual Report in the PAN field. 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.
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"> 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).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (i) 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.
- (ii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (iv) 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.
- (v) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vi) 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.
- (vii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (viii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (ix) If a demat account holder has forgotten the changed password then enter the user ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (x) 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xi) 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 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.
 - 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 mailed to 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.
- (xii) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
27. The Scrutinizer shall after the conclusion of voting at the AGM will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall not make later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 28 The results declared along with the report of the scrutinizer shall be placed on the website of the Company www.mangalamorganics.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Result shall also be forwarded immediately to BSE Limited, Mumbai.

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 Act, 2013 the following explanatory statements set out all material facts in respect of item numbers 5 to 8.

In respect of Item No. 5

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 as manufactured by the Company.

Based on the recommendation of the Audit Committee, the Board of Directors have approved the appointment of NKJ & Associates (Mr. Naresh Jethwani) as the Cost Auditor for Cost Audit of Chemicals for the period from 1st April, 2018 to 31st March, 2019 on a remuneration of Rs. 50000/- (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 5 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. 6

The Nomination and Remuneration Committee, in its meeting held on 13th November, 2017 recommended and the Board of Directors in its meeting held on 14th November, 2017 approved the payment of remuneration to the limit of Rs. 25,00,000/- (Twenty Five Lakhs) per month or on such remuneration as may be decided by the Board of Directors, subject to approval of the members in the ensuing Annual General Meeting of the Company for Mr. Kamalkumar Dujodwala Director of the Company who 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 of the Company.

Approval of the shareholder is sought for ratification of remuneration paid / payable 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 him 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 Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala is concerned or interested in the resolution.

In respect of item no. 7

The Nomination and remuneration Committee, in its meeting held on 13th November, 2017 recommended and the Board of Directors, in its meeting held on 14th November, 2017 approved for payment of remuneration to the tune of Rs. 25,00,000 (Twenty Five Lakhs per month or on such remuneration as may be decided by the Board of Directors subject to the approval of members 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 1st 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 him 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 Mr. Kamalkumar Dujodwala are concerned or interested in the resolution.

In respect of item no. 8

To approve the appointment of Mr. Akshay Dujodwala to a place of profit being the office of Executive of the Company with effect from 1st April, 2018 at a remuneration of Rs. 2,40,00,000/- (Rupees Two Crores Forty Lakhs only) per annum. In terms of Section 188(1) (f) of the Companies Act, 2013 the appointment of a Director or a relative of Director to an office or place of profit in a Company, it requires approval of shareholders of the Company. Since Mr. Akshay Dujodwala is the relative of Mr. Kamalkumar Dujodwala, Chairman and Mr. Pannkaj Dujodwala, Managing Director, provisions of Section 188(1) (f) of the Companies Act, 2013 would be applicable for appointment of Mr. Akshay Dujodwala. In the light of above, you are requested to accord your approval to the Special Resolution as set out in the notice item No.07 of the accompanying notice.

Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala may deem to be concerned or interested in the said resolution. Except the above, none of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financially or otherwise in the proposed resolution.

As required under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) given below are the details of the Directors retiring by rotation:

Name of the Director	Mr. 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
Share holdings in the Company	1000 equity shares



DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting their Thirty Sixth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2018.

FINANCIAL RESULT: The summarized financial results of the Company for the year ended 31st March, 2018 are presented below:

	2017-2018 Rupees in Lacs	2016-2017 Rupees in Lacs
Gross Sales including other Income	24548.41	19737.41
Gross Profit before interest, Depreciation and Taxation	2645.44	1272.72
Interest	256.27	446.34
Depreciation	550.28	529.70
Less Provision for Taxation	700.00	90.00
Less: MAT Credit	0.00	0.00
Provision for deferred taxation	- 306.67	- 279.85
Tax Adjustment	13.23	6.14
Net Profit for the year	1432.33	477.24
Surplus brought forward from previous year	2753.44	2276.20
Balance Available for Appropriation	4185.77	2753.44
Appropriations		
a) General Reserve	0.00	0.00
b) Dividend	0.00	0.00
c) Dividend Tax	0.00	0.00
Balance carried forward to Balance Sheet	4185.77	2753.44

The Performance, Plans and Prospects of your Company

Your Company is a chemicals manufacturer and has Terpenes and Synthetic Resins as primary segments. Both segments of your Company have performed well in F.Y. 2017-18. Your Company has achieved Net Sales Turnover of Rs. 244.24 Cr. with a Profit After Tax of Rs. 14.32 Cr. during F.Y. 2017-18. approximately 90% of the revenue has come from Terpene Chemicals.

Terpenes

Your Company manufactures a range of products under the Terpenes Segment namely Camphor, Dipentene and Sodium Acetate.

Our various efforts to improve yields, reduce time cycles and reduce energy costs have generated positive results as can be seen through our improved profitability ratios. We continue to improve by bench marking against leading firms across the chemical industry, closely analysing our own results, engaging leading consultants, experimenting in our laboratory & pilot plant facilities and most importantly questioning age old procedures and practices. Your Company has successfully registered for REACH to export its products to the European Market and also has been awarded an Indian Pharmacopeia certification as it prepares to apply for GMP certification.

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 grow our capacities and grades offered from the same unit to capture larger market share in the domestic and export markets.

Camphor presents a large retail opportunity which enables the Company to forward integrate and diversify into the FMCG space. Your Company continues to create a foundation for this journey ahead and has applied for registration three brands which it intends to sell through Modern Trade, General Trade and E-Commerce.

“Mangalam” – Camphor tablets for pious purposes

“CamPure” – Home care products based on camphor such as Camphor Cone, Camphor Sticks, Camphor Air Purifier

“Cam+” – Healthcare products based on camphor such as Pain Relief Spray, Pain Balm, Nasal Inhaler

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 decreasing agents, as Limonene supply shortages get more acute. Your Company is also in the process of providing various grades of this material which the market requires and therefore the customer base and realization will increase.

Sodium Acetate, a by-product manufactured is used as a dye intermediate by textile and dye manufacturers. It has wide range of application in the leather tanning industries and is being exported to Europe.

Going forward, your Company will work to increase its production quantities of camphor and related products, explore opportunities in intermediate products and their derivatives (fragrance and flavor Industry), improve its quality to compete in the international market, and invest further in its retail initiative.

Synthetic Resins

Your Company manufactures three types of synthetic resins, each of these have large domestic and export markets.

Terpene Phenolic Resin – This resin has application as a tackifier in the adhesive, tyre and rubber industries. Your Company is proud to inform you that it has been able to forge a strategic alliance with M/S Les Derives Resiniques & Terpeniques (DRT), France, where in, your Company will take lead to manufacture the products under DRT's technical guidance and DRT will use its global network to market and distribute the product on a worldwide basis. The initial qualification and approval processes with customers are lengthy – we foresee large volumes, revenue and strong profitability from this in the years to come

Alkyl Phenolic Resin – This resin has application in Neoprene and Chloroprene rubber based adhesives. Your Company is working closely with leading consultants to introduce a range of products to provide one stop solution to distributors and companies

Rosin Esters – This resin has application in pressure sensitive adhesives. Your Company is working with leading consultants to further improve the quality of its products to global standards to unlock export market opportunities.

We are positive on all three resin categories and will continue our efforts to develop volume business in each category supported by healthy margins.

DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs. 1 (One) per equity share of face value of Rs. 10/- each on the equity share capital of Rs. 8,56,44,400/- and seeks your approval for the same.

TRANSFER TO RESERVE:

Your Company proposes to transfer Rs. Nil to General Reserves out of the amount available for appropriations during the financial year 2017-2018 (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 seven meetings were convened and held, the details of which are given in the Corporate Governance Report.

AUDIT COMMITTEE

Audit Committee is in existence in accordance with the Provisions of Section 177 of the Companies Act, 2013; kindly refer section on Corporate Governance, under head "Audit Committee" for matters relating to the constitution, meetings and functions of this committee.

NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee is in existence in accordance with the provisions of Subsection 1 of Section 178 of the Companies Act, 2013. Kindly refer section on Corporate Governance under head "Nomination and Remuneration Committee" for matters relating to constitution, meetings, functions of the Committee and the remuneration policy formulated by the Committee

CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the Provisions of Section 135 of the Companies Act and Rules made there under, the Board has constituted a CSR Committee under the Chairmanship of Mr. Sharad Saraf. The other members of the Committee are Mr. Kamalkumar Dujodwala and Mrs. Anita Shriya. A CSR Policy has been framed and placed on the Company's website. Other details of the CSR activities as required under Section 135 of the Act are given in the CSR Report as "Annexure C".

RISK MANAGEMENT POLICY

The Board of Directors of the Company has put in place a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk reward trade off. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD :

The Nomination and Remuneration Committee of the Board has formulated a performance evaluation framework under which the Committee has identified criteria upon which every Director, every Committee and the Board as a whole shall be evaluated. During the year, review of every Director, every Committee and the Board has been carried out.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There is change in the composition of Board of Directors of the Company and the Key Managerial Personnel during the year under review. At present there are Six Directors on the Board i.e. Mr. Kamalkumar Dujodwala, Mr. Pannkaj Dujodwala and four Independent Directors i.e. Mr. Rajkumar Jatia, Mr. Sharad Saraf, Mr. S. N. Baheti and Mrs. Anita Shriya the details of which are given in the Corporate Governance. During the year Mr. Rajkumar Saraf resigned w.e.f. 19th July, 2017 and Mr. S. N. Baheti has been appointed w.e.f. 14th August, 2017.

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 Mr. Kamalkumar Dujodwala retires by rotation at the ensuing AGM and being eligible offer himself for re-appointment as Director.

DECLARATION BY INDEPENDENT DIRECTORS:

Pursuant to the Provisions of Subsection (7) of Section 149 of the Companies Act, 2013 the Company has received individual declaration from all the independent Directors confirming that they fulfil the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

DISCLOSURE RELATED TO BOARD, COMMITTEES AND POLICIES:

The Board of Directors met 7 times during the financial year ended March 31, 2018 in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. All the Directors actively participated in the meetings and provided their valuable inputs on the matters brought before the Board of Directors from time to time additionally on 13th November, 2017 the independent Directors held separate meeting in compliance with the requirement of schedule IV of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2018 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, 2018 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 of 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 the 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 under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as "Deposit" in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence the requirement for furnishing the details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

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 are given in Note 30 (c) in the financial statements.

BUYBACK OF EQUITY SHARES OF THE COMPANY:

The Board of Directors at its meeting held on February 2, 2018 (the “**Board Meeting**”), had

recommended, subject to the approval of the members of the Company through postal ballot, the proposal to Buy back up to **6,10,000** (Six Lakh Ten Thousand Only) fully paid up Equity Shares of the Company of face value of ` 10/- each (“**Equity Shares**”) (representing up to **6.74%** of the total number of Equity shares in the Paid-up equity share capital of the Company) at a price of Rs. **230/-** (Rupees Two Hundred Thirty Only) per Equity share (“**Buyback price**”) payable in cash for an aggregate amount of ` **14,03,00,000/-** (Rupees Fourteen Crores and Three Lakhs Only (“**Buyback Offer Size**”), being equal to **24.32%** of the paid up share capital and free reserves of the Company as per the latest audited standalone balance sheet of the Company as on December 31, 2017 from the Equity Shareholders / beneficial owners of the Equity Shares of the Company (“**Shareholders**”) through a “Tender Offer” route in accordance with the provisions of the Companies Act, 2013 (“**Companies Act**”) and, the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”), the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) and in compliance with the Buyback Regulations (“**Buyback**” or “**Buyback Offer**”).

The Company sought approval of its shareholders for the said Buyback by a special resolution through a postal ballot notice dated February 02, 2018. The Shareholders approved the Buyback of the Company's fully paid-up Equity Shares from the equity shareholders / beneficial owners of the Equity shares, on a proportionate basis, through the tender offer process pursuant to Article 61 of the Articles of Association of the Company and in accordance with provisions of the Companies Act, the Share Capital Rules, the Management Rules and the Buyback Regulations, by way of a special resolution, through the postal ballot (“**Postal Ballot**”), the results of which were announced on March 16th, 2018 (“**Shareholders' Approval**”).

The Buyback Offer opened on Monday, April 23, 2018 and closed on Tuesday, May 08, 2018.

DETAILS OF BUYBACK:

4,88,240 (Four Lakh and Eighty Eight Thousand Two Hundred and Forty Only) Equity Shares were bought back under the Buyback at a price of Rs 230/- (Rupees Two Hundred and Thirty Only) per Equity Share.

The total amount utilized in the Buyback is Rs. 11,22,95,200/- (Rupees Eleven Crores Twenty Two Lakh Ninety Five Thousand Two Hundred Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc.

The Registrar to the Buyback M/s. Universal Capital Securities Private Limited (“**Registrar**”), considered 319 valid bids for 4,88,240 Equity Shares in response to the Buyback, resulting in the subscription of



approximately 0.80 times of the maximum number of shares proposed to be bought back. The details of valid bids considered by the Registrar are as follows:

Sr. No.	Category of Shareholders	No. of Equity Shares reserved in Buyback	No. of Valid Bids	Total Valid Equity Shares Tendered	% Response
1.	Reserved category for Small Shareholders	1,00,829	260	69,779	69.21
2.	General category of other Shareholders	5,09,171	59	4,18,461	82.18
	Total	6,10,000	319	4,88,240	80.04

All valid applications have been considered for the purpose of acceptance in accordance with the Buy-back Regulations and Paragraph 22 of the Letter of Offer. The communication of acceptance / rejection has been dispatched by the Registrar to the Buyback to respective Shareholders on May 17, 2018.

The settlement of all valid bids was completed by the Clearing Corporation on May 16, 2018. The funds have been directly paid out to Eligible Shareholders whose shares have been accepted under the Buyback. If bank account details of any Eligible Shareholders holding Equity Shares in dematerialized form were not available or if the funds transfer instructions were rejected by the Reserve Bank of India or any relevant bank, due to any reason, then the amounts payable to the Eligible Shareholders were transferred to the concerned Selling Members for onward transfer to such Eligible Shareholders holding Equity Shares in dematerialized form.

Demat Equity Shares accepted under the Buyback have been transferred to the Company's Demat Escrow Account on May 16, 2018. The unaccepted demat Equity Shares have been returned to respective Shareholder Brokers / custodians by the Clearing Corporation on May 16, 2018. The unaccepted physical share certificates, if any, has been dispatched to the registered address of the respective eligible Equity Shareholders on or before May 17, 2018.

The extinguishment of 4,88,240 Equity Shares accepted under the Buyback, comprising of (a) 4,84,390 Equity Shares in dematerialized form and (b) 3,850 Equity Shares in physical form was completed.

The shareholding pattern of the Company Pre-Buyback (as on April 04, 2018) the Record Date and Post Buyback is as under:

Particulars	Pre-Buyback		Post Buyback	
	No. of Equity Shares	% of the existing Equity Share Capital	No. of Equity Shares	% of post buyback Equity Share Capital
Promoters	42,46,211	46.91	42,46,211	49.58
Foreign Investors (including Non Resident Indians, OCBs, FIIs, etc.)	1,52,298	1.68		
Indian Financial Institutions (incl. Banks, Mutual Funds, etc.)	--	--	--	--
Other Public Investors (including Individuals, Bodies Corporate, etc.)	46,54,171	51.41	43,18,229	50.42
Total	90,52,680	100.00	85,64,440	100.00

VIGIL MECHANISM FOR THE DIRECTORS AND EMPLOYEES

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for directors and employees of the



Company. The Whistle Blower Policy covering all employees and Directors is hosted on the Company's website at www.mangalamorganics.com.

COST AUDITORS

Pursuant to the Provisions of Section 148 of the Companies Act, 2013 read with notifications / circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Director at their meeting held on 6th May, 2017, appointed M/s. NKJ & Associates (Mr. Naresh Jethwani) Cost Accountants as the Cost Auditors of the Company for FY 2017-2018. The Cost Audit Report for FY 2017-2018 will be filed within the period stipulated under the Companies Act, 2013.

In respect of FY 2018-2019, the Board based on the recommendation of the Audit Committee has approved the appointment of M/s. NKJ & Associates (Mr. Naresh Jethwani, Cost Accountant) as the Cost Auditors of the Company. A resolution for ratification of the remuneration to be paid for such appointment is included in the notice of the ensuing Annual General Meeting.

STATUTORY AUDITORS APPOINTMENT:

Pursuant to the Provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended M/s. NGST & Associates Chartered Accountants (Firm Registration No. 135159W), the Statutory Auditors of the Company, were appointed as Statutory Auditors of the Company till the conclusion of 39th Annual General Meeting of the Company. The Directors recommended that M/s. NGST & Associates, Chartered Accountants (Firm Registration No. 135159W), be ratified as the Statutory Auditors of the Company at the forth coming Annual General Meeting of the Company to hold office till the conclusion of the next Annual General Meeting of the Company. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

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.

INTERNAL FINANCIAL CONTROLS:

The Internal Financial controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Auditors on the inefficiency or inadequacy of such controls.

INTERNAL CONTROL SYSTEMS :

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control system comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

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 work place (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) (a) of the Companies Act, 2013 an extract of the Annual Return as of 31st March, 2018 made under the provisions of Section 92(3) of the Act is enclosed as “Annexure B” which forms part of this report.

PARTICULARS OF EMPLOYEES

The Disclosure as required under Section 197 of the Companies Act, 2013 and under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 is available for inspection to the members at the registered office of the Company on any working days between 10.00 a.m. to 12.00 noon upto the date of the Annual General Meeting i.e. 29th September, 2018. Information relating to remuneration of Directors under Section 197 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014 has been given in the Corporate Governance Report.

SECRETARIAL AUDITORS

As required under Provisions of Section 204 of the Companies Act, 2013, the report in respect of the Secretarial Audit carried out by Mr. Yogesh Sharma, the Practicing Company Secretary (COP 12366) in Form MR-3 for the FY 2017-2018 forms part of this report as Annexure D”. The said report does not contain any adverse observation or qualification or modified opinion requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

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 programme and measures to familiarize Independent Directors about the Company and its business updates, 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, functionalities, 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.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION

The Company is conscious of the importance to environmental friendly and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliance of



environmental regulations and preservation of natural resources. All plants of the Company are fully complied with the laws, regulations and requirements stipulated by the concerned pollution Control Board.

LISTING

The equity shares of the Company are presently listed with The BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company is regular in payment of listing fees.

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 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: 19th May, 2018

ANNEXURE - A TO THE DIRECTOR'S REPORT

Form 'A'

Information pertaining to Power and fuel Consumption, Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo as provided under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

Power and Fuel Consumption:

	Particulars	2017-18	2016-17
1.	Electricity Purchased		
	Units (Kwh/Lakh)	54.00	52.32
	Total Amounts (Rs./Lakh)	451.31	411.62
	Rate /Unit (Rs.)	8.36	7.86
2.	Furnace Oil / Light Diesel Oil		
	Quantity (Ltrs/Lakh)	1.91	1.31
	Total Cost (Rs./Lakh)	89.19	60.06
	Average Rate (Rs./Lakh)	46.70	45.85
3.	Coal		
	Total Cost (Rs./Lakh)	640.31	231.40



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 and performance benchmark.

Form 'B'

Form for disclosure of particulars with respect to:

1) Areas in which Research & Development is being carried out:

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

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

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

- Increase in product range, augmenting extended potential and marking.
- Products consistency for remaining universally competitive.
- Improvements in process control and conservation of energy resulting in cost reduction.

3) Future Plan of Action

Technology absorption

- Efforts made:-
 - Improvement in technical services to meet customer's requirement.
 - Interaction with various laboratories and consultants for improving process and pollution control.
- Benefits derived as a result of above efforts:
 - Better customer satisfactions.
 - 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. 2017-18	F. Y. 2016-17
Foreign Exchange earning	Rs. 1155.26 Lakhs	Rs. 756.04 Lakhs
Foreign Exchange outflow	Rs.13725.60 Lakhs	Rs. 9895.38 Lakhs



ANNEXURE-B TO THE DIRECTORS REPORT

FORM MGT-9 – EXTRACT OF ANNUAL RETURN FOR FINANCIAL YEAR ENDED ON 31.03.2018

(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	MANGALAM ORGANICS LIMITED
Category / sub-category of the Company	Company having Share Capital
Address of the registered office and contact details	Kumbhivali Village, Savroli Kharpada Road, Tal. Khalapur, Khopoli-410202, Dist. Raigad (M.S.)
Whether Listed Company	Yes
Name, address and contact details of the Registrar and Transfer Agent.	Universal Capital Securities Pvt Ltd. 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	24297 / 24299	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 01.04.2017				No. of Shares held at the end of the year as on 31.03.2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2244362	--	2244362	24.79	2244362	--	2244362	24.79	--
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)	4246211	--	4246211	46.91	4246211	--	4246211	46.91	--
B) Public Shareholding									
(2) Foreign									
1) Institution									
a) Mutual Fund	--	1900	1900	0.02	--	0	0	0	-0.02
b) Banks /FI	--	600	600	0.01	--	0	0	0	-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	--	0	0	0	-0.03
(2) Non Institutions									
a) Bodies Corporate									
i. Indian	595880	6200	602080	6.65	683013	4700	687713	7.50	0.94
ii. Overseas	--	--	0	0.00	--	--	0	0.00	--
b) Individuals									
I. Individual shareholders holding nominal share capital upto Rs. 1 lakh	1593263	776750	2370013	26.18	1606194	484550	2090744	23.10	-3.08
II. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1496507	0	1496507	16.53	1459242	0	1459242	16.12	-0.41
Others (specify)									
i. Qualified foreign Investors	--	--	--	--	--	--	--	--	--
ii. Clearing Members	71814	0	71814	0.79	35053	0	35053	0.39	-0.41
iii. Trust	--	--	0	0	--	--	0	0	--
iv. NRI / OCB	69355	194200	263555	2.91	57905	95000	152905	1.69	-1.22
v. IEPF A/C	0	0	0	0	380812	0	380812	4.21	4.21
(c) Shares held by Custodians and against which Depository Receipts have been issued									
i. Promoters	--	--	--	--	--	--	--	--	--
ii. Public	--	--	--	--	--	--	--	--	--
Grand Total (A+ B+C)	8073030	979650	9052680	100	8468430	584250	9052680	100	0.00



ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2017			Shareholding at the end of the year as on 31.03.2018			% 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	--	--
9.	KAMALKUMAR DUJODWALA	1000	0.01	--	--	--	--	--
	Total	4246211	46.91	--	4246211	46.91	--	--

iii) Change in Promoter's shareholding

There is no change in the total shareholding of promoters between 01/04/2017 and 31/03/2018

iv.) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 5 Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Shareholding at the end of the year as on 31.03.2018	
		No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
1.	VIJAYRANI SARAF	420900	4.65	420900	4.65
2.	J B C INTERNATIONAL PVT LTD	414500	4.58	414500	4.58
3.	SUBRAMANIAN P	144000	1.59	--	--
	4/28/2017 Transfer	-1100	-0.01	142900	1.58
	5/5/2017 Transfer	-4900	-0.05	138000	1.52
	5/12/2017 Transfer	-457	-0.01	137543	1.52
	6/16/2017 Transfer	-853	-0.01	136690	1.51
	10/31/2017 Transfer	-900	-0.01	135790	1.50
	11/17/2017 Transfer	-1350	-0.01	134440	1.49
	1/25/2018 Transfer	-990	-0.01	133450	1.47
	3/23/2018 Transfer	-1890	-0.02	131560	1.45
4.	BIJAL KISHORECHAND MADHANI HUF	100000	1.10	--	--
	7/21/2017 Transfer	-5000	-0.06	95000	1.05



	8/4/2017	Transfer	-5000	-0.06	90000	0.99
	8/11/2017	Transfer	-15000	-0.17	75000	0.83
	8/18/2017	Transfer	-5000	-0.06	70000	0.77
	9/1/2017	Transfer	-3372	-0.04	66628	0.74
	9/8/2017	Transfer	-2864	-0.03	63764	0.70
	9/15/2017	Transfer	-3764	-0.04	60000	0.66
	10/31/2017	Transfer	15624	0.17	75624	0.84
	11/10/2017	Transfer	-624	-0.01	75000	0.83
	12/1/2017	Transfer	-5000	-0.06	70000	0.77
	1/25/2018	Transfer	-463	-0.01	69537	0.77
	2/2/2018	Transfer	-4537	-0.05	65000	0.72
	3/16/2018	Transfer	-7000	-0.08	58000	0.64
	3/23/2018	Transfer	-3000	-0.03	55000	0.61
5.	MILIND K MADHANI HUF		62000	0.68	--	--
	4/7/2017	Transfer	-2000	-0.02	60000	0.66
	4/14/2017	Transfer	-5000	-0.06	55000	0.61
	4/28/2017	Transfer	-3000	-0.03	52000	0.57
	5/5/2017	Transfer	8000	0.09	60000	0.66
	5/19/2017	Transfer	-1000	-0.01	59000	0.65
	5/26/2017	Transfer	-9000	-0.10	50000	0.55
	6/23/2017	Transfer	20000	0.22	70000	0.77
	7/7/2017	Transfer	-3000	-0.03	67000	0.74
	7/14/2017	Transfer	-5000	-0.06	62000	0.68
	7/21/2017	Transfer	-2000	-0.02	60000	0.66
	8/4/2017	Transfer	-5000	-0.06	55000	0.61
	8/11/2017	Transfer	-5000	-0.06	50000	0.55
	9/8/2017	Transfer	-10000	-0.11	40000	0.44
	10/31/2017	Transfer	10000	0.11	50000	0.55
	11/24/2017	Transfer	-3500	-0.04	46500	0.51
	12/1/2017	Transfer	-1000	-0.01	45500	0.50
	12/8/2017	Transfer	4500	0.05	50000	0.55
	1/19/2018	Transfer	-2000	-0.02	48000	0.53
	1/25/2018	Transfer	-4000	-0.04	44000	0.49
	2/9/2018	Transfer	1000	0.01	45000	0.50
	3/9/2018	Transfer	-5000	-0.06	40000	0.44
6.	JAGDISH AMRITLAL SHAH		53397	0.59		
	5/5/2017	Transfer	-472	-0.01	52925	0.58
	6/16/2017	Transfer	-1078	-0.01	51847	0.57
	10/20/2017	Transfer	-2645	-0.03	49202	0.54
	10/31/2017	Transfer	-13800	-0.15	35402	0.39
	11/3/2017	Transfer	-500	-0.01	34902	0.39
	11/17/2017	Transfer	-1300	-0.01	33602	0.37
	11/24/2017	Transfer	-6350	-0.07	27252	0.30
	12/1/2017	Transfer	-2	0.00	27250	0.30



	12/8/2017	Transfer	-1792	-0.02	25458	0.28
	12/22/2017	Transfer	-372	0.00	25086	0.28
	12/30/2017	Transfer	-5	0.00	25081	0.28
	1/5/2018	Transfer	-2245	-0.02	22836	0.25
	1/12/2018	Transfer	-335	0.00	22501	0.25
	1/25/2018	Transfer	-4525	-0.05	17976	0.20
7.	VIPUL AJITKUMAR DAVE		51000	0.56	--	--
	1/12/2018	Transfer	-19354	-0.21	31646	0.35
	1/19/2018	Transfer	-5000	-0.06	26646	0.29
	1/25/2018	Transfer	-1600	-0.02	25046	0.28
	2/9/2018	Transfer	-21029	-0.23	4017	0.04
8.	PRABHA DEORAH		50000	0.55	--	--
	6/23/2017	Transfer	50000	0.55	100000	1.10
	9/1/2017	Transfer	500	0.01	100500	1.11
	9/15/2017	Transfer	9500	0.10	110000	1.22
	10/31/2017	Transfer	5000	0.06	115000	1.27
	11/17/2017	Transfer	8500	0.09	123500	1.36
	1/5/2018	Transfer	1500	0.02	125000	1.38
	2/9/2018	Transfer	-25000	-0.28	100000	1.10
	3/2/2018	Transfer	-15000	-0.17	85000	0.94
9.	MURARILAL RAMNIWAS DUJODWALA HUF		48000	0.53	48000	0.53
10.	GOLDEN GOENKA CREDIT PVT LTD		44806	0.49	--	--
	5/5/2017	Transfer	-1000	-0.01	43806	0.48
	5/12/2017	Transfer	-4500	-0.05	39306	0.43
	6/16/2017	Transfer	-2000	-0.02	37306	0.41
	9/30/2017	Transfer	-4577	-0.05	32729	0.36
	10/6/2017	Transfer	-1255	-0.01	31474	0.35
	10/13/2017	Transfer	-3536	-0.04	27938	0.31
	10/20/2017	Transfer	-2809	-0.03	25129	0.28
	10/31/2017	Transfer	-7000	-0.08	18129	0.20
	11/3/2017	Transfer	-629	-0.01	17500	0.19
	1/25/2018	Transfer	-7500	-0.08	10000	0.11
	2/23/2018	Transfer	2240	0.02	12240	0.14
	3/2/2018	Transfer	4199	0.05	16439	0.18
11	RAJASTHAN GLOBAL SECURITIES PRIVATE LTD		0	0.00		
	2/9/2018	Transfer	50012	0.55	50012	0.55
	2/16/2018	Transfer	39731	0.44	89743	0.99
	2/23/2018	Transfer	6302	0.07	96045	1.06
	3/2/2018	Transfer	13579	0.15	109624	1.21
	3/9/2018	Transfer	24666	0.27	134290	1.48
	3/16/2018	Transfer	1351	0.01	135641	1.50
	3/23/2018	Transfer	22980	0.25	158621	1.75
	3/31/2018	Transfer	9959	0.11	168580	1.86
12	SARLA BHARAT BAGRI		0	0.00		
	8/11/2017	Transfer	20508	0.23	20508	0.23
	8/18/2017	Transfer	19492	0.22	40000	0.44
	10/13/2017	Transfer	800	0.01	40800	0.45
	10/20/2017	Transfer	3746	0.04	44546	0.49



	10/31/2017	Transfer	11454	0.13	56000	0.62
13	DEBASHREE CHOUDHURY CHAKRABORTY		32677	0.36		
	4/7/2017	Transfer	2940	0.03	35617	0.39
	5/19/2017	Transfer	7219	0.08	42836	0.47
	5/26/2017	Transfer	5294	0.06	48130	0.53
	6/9/2017	Transfer	1870	0.02	50000	0.55
	6/16/2017	Transfer	50	0.00	50050	0.55
14	KAUSHIK JAYSHI BHATIA		0	0.00		
	5/19/2017	Transfer	25000	0.28	25000	0.28
	6/16/2017	Transfer	40	0.00	25040	0.28
	7/14/2017	Transfer	9960	0.11	35000	0.39
	10/13/2017	Transfer	15000	0.17	50000	0.55

V) Indebtedness

The Company has availed loan from The Saraswat Co-operative Bank Limited (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 (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	40,00,000/- - - -	40,00,000/- - - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of profit - Others, specify	- - -	- - -
5.	Others please specify	-	-
	Total (a)	40,00,000/-	40,00,000/-
Ceiling as per Schedule V of the Companies Act, 2013		NA	NA

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Names of Director					Total Amount
		Mr. Rajkumar Saraf	Mr. Rajkumar Jatia	Mr. Sharad Saraf	Mr. S.N. Baheti	Mrs. Anita Shriya	
1.	Fees for attending Board / Committee Meeting	1000	6000	6000	3000	6000	22000
2.	Commission	-	-	-	-	-	
3.	Others, please spcify	-	-	-	-	-	
Total		1000	6000	6000	3000	6000	22000



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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Shirang Rajule	Mr. Ankur Gala	
1.	Gross Salary	699018	181200	880218
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.	Seat Equity	--	--	--
4.	Commission As % of profit Others, specify	--	--	--
5.	Others please specify	--	--	--
	Total (a)	699018	181200	880218

VII) Penalties /Punishment /compounding of offences

There were no penalties, Punishments and compounding of offences for the year ending on 31st March, 2018.



ANNEXURE C to the Directors Report

Annual Report on Corporate Social Responsibility (CSR) Activities

A brief outline of the Company's CSR policy, including overview of Projects undertaken and reference to the web-link to the CSR policy is stated herein below:

CSR Policy

(Approved by the Board of Directors on 02.02.2018)

Mangalam Organics Limited being a good corporate has adopted CSR as a strategic tool for substantial growth and decided to contribute to the development of the Society as a whole. In doing so the Company's aim is to achieve the social activities in a widely manner by devoting sustainable ways of life to the weaker sections of the society.

CSR of the Company has focused on the plans that shall include the immediate / urgent medical help to the patient and to build / construct the roads.

To achieve the objectives :

1. The Company has provided one ambulance van to Group Gram Panchayat at Kumbhivali Village, Taluka Khalapur, District Raigad, (Maharashtra).
2. The Company has also constructed Cement Concrete Road for Hindu Mokshadham at Laxmangadh, Kasba, Ward - 30, District-Sikar, (Rajasthan)through Parmarth Niketan, Laxmangadh (Sikar).

Manner in which the amount was spent :

Sr. no.	Projects / Activities	Sector	Locations	Amount outlay (Budget) project or program wise	Total Amt spent on the budget	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Donated for Ambulance Van	Medical	Donated to Group Gram-panchayat-Kumbhivali	506600/-	506600/-	506600/-	Direct
2.	Construction of Road	Social Project	LaxmanGadh, Kasba Ward-30 Dist Sikar, Rajasthan	495000/-	495000/-	495000/-	Parmarth Niketan Laxmangadh Sikar

The implementation and monitoring of CSR policy is in compliance with the CSR objectives and Policy of the Company.



ANNEXURE - D

Form No. MR-3

SECRETARIAL AUDIT

REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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- 410202.

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 31st March, 2018 ('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 31st March, 2018 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 thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 (De-listing 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;
- 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.

I further report that,

The Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

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.

I further report that during the audit period the Company had following event which had bearing on the



Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
The Shareholders of the Company has passed the Special Resolution for buy back up to 6,10,000/- fully paid Equity Shares of the Company.

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

Place : Mumbai
Dated : 10th August, 2018

**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.*

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 : 10th August, 2018



CORPORATE GOVERNANCE REPORT

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

The Company provides detailed information on various issues concerning the Company's business / performance, to its shareholders. The Fundamental philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for meeting its obligations to the shareholders. The Company believes that good Corporate Governance is a continuous process and strives to improve the same to meet Shareholder's expectations. The Board of Directors of the Company has adopted the Code of Conduct for its Members and Senior Management executives.

2. **BOARD OF DIRECTORS**

The Composition and category of Directors as on 31st March, 2018 are as follows:

Category	Name of Directors	Designation
Promoter	Mr. Kamalkumar Dujodwala	Executive Chairman
Promoter	Mr. Pannkaj Dujodwala	Managing Director
Independent & Non Executive	Mr. Rajkumar Jatia	Director
Independent & Non Executive	Mr. Sharad Saraf	Director
Independent & Non Executive	Mr. S. N. Baheti	Director
Independent & Non Executive	Mrs. Anita Shriya	Director

The composition of the Board of Directors is in accordance with the Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Non Executive, Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

Board Meetings

The Meeting of the Board of Directors are scheduled well in advance and generally held at the Company's administrative office of the Company at 812/813, Tulsiani Chambers, 212 Nariman Point, Mumbai – 400 021. The notice confirming the meeting and the detailed agenda was sent well in advance to all the Directors.

There were Seven Board Meetings held during the financial year ended 31st March, 2018 namely on 6th May, 2017, 19th July, 2017, 14th August, 2017, 16th October, 2017, 14th November, 2017 02nd February, 2018 at 3.00 p.m. and 02nd February, 2018 at 4.30 p.m.

Attendance, other Directorship and Membership

Membership and attendance of each Director at the Board of Director's Meeting held during the year and the last Annual General Meeting and the number of other Directorship / Membership of the Board Committees as on 31st March, 2018.

Name of the Director	Board Meeting attended	Attendance at last AGM	No of Directorship in Boards (Excluding Mangalam Organics Limited)	No.of Chairmanship / Membership in other Board Committees Excluding Mangalam Organics Limited)
Mr. Kamalkumar Dujodwala	7	Yes	10	1
Mr. Pannkaj Dujodwala	7	Yes	4	--
Mr. Sharad Saraf	7	Yes	17	--
Mrs. Anita Shriya	7	Yes	2	--
Mr. Rajkumar Saraf *	1	No	14	--
Mr. S. N. Baheti**	4	No	7	--
Mr. Rajkumar Jatia	5	No	4	--



*Mr. Rajkumar Saraf resigned w.e.f. 19th July, 2017

** Mr. S.N. Baheti has been appointed w.e.f. 14th August, 2017

None of the present Directors are relatives of each other except Mr. Kamalkumar Dujodwala who is brother of Mr. Pannkaj Dujodwala.

Remuneration of Directors

During the year under review the Company has paid Rs. 80,00,000/- Lakhs towards remuneration (details of which are provided in the extract of annual return Form MGT-9 "Annexure B" to the Director's Report to Mr. Kamalkumar Dujodwala – Executive Chairman and Mr. Pannkaj Dujodwala – Managing Director of the Company.

At present, Independent Directors are not paid any remuneration except sitting fees for attending the Board Meetings.

Sitting fees paid to Directors for attending the Board Meetings:

Sr.No.	Name of the Director	Sitting fees (Rs.)
1	Mr. Rajkumar Jatia	5000/-
2	Mr. Sharad Saraf	6000/-
3	Mr. S.N. Baheti	4000/-
4.	Mrs. Anita Shriya	6000/-
5.	Mr. Rajkumar Saraf	1000/-

3. AUDIT COMMITTEE

The Board has set up the Audit Committee with two Independent Directors, Mr. Sharad Saraf and Mrs. Anita Shriya and One Promoter –Executive Chairman – Mr. Kamalkumar Dujodwala. Mr. Sharad Saraf is the Chairman of the Audit Committee and was present at the last Annual General Meeting.

Audit Committee meetings were held on 6th May, 2017, 19th July, 2017, 14th November, 2017 and 02nd February, 2018.

Attendance of Audit Committee:

Sr.No.	Name of the Members	No. of Audit Committee Meetings	No. of Audit Committee Meetings attended
1.	Mr. Sharad Saraf - Chairman	4	4
2.	Mrs. Anita Shriya	4	4
3.	Mr. Kamalkumar Dujodwala	4	4

3. AUDIT COMMITTEE

The statutory auditors were the invitees to the aforesaid meetings.

The scope of activities and powers of Audit Committee includes the areas prescriber under the Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, and Section 177 of the Companies Act, 2013.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee has been constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said Committee is having three Directors namely Mr. Sharad Saraf, Mrs. Anita Shriya and one of the Promoters–Executive Chairman, Mr. Kamalkumar Dujodwala. Mr. Sharad Saraf is the Chairman of the

Stakeholders' Relationship Committee. Mr. Ankur Gala Company Secretary of the Company is the compliance officer. During the year under review, the Company received complaints regarding non receipt of Dividend Warrant, Share Certificate etc. The said Complaints had been resolved on time. The Committee meetings were held on 29.04.2017, 31.05.2017, 30.06.2017, 31.07.2017, 31.08.2017, 30.09.2017, 31.10.2017, 30.11.2017, 30.12.2017, 31.01.2018, 28.02.2018, and on 31.03.2018. There is no complaint which has remained unaddressed and no transfer of shares is pending as on date.

Mr. Yogesh Sharma, practicing Company Secretary has been conducting reconciliation of Share Capital and Audit for the Company.

5. **NOMINATION AND REMUNERATION COMMITTEE**

The terms of reference the Nomination and Remuneration Committee cover all the areas mentioned under Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 178 of the Companies Act, 2013. The composition of this Committee as on March 31, 2018 is as follows:

Sr.No.	Name of the Members	Category
1	Mr. Sharad Saraf - Chairman	Non-Executive, Independent Director
2.	Mrs. Anita Shriya	Non-Executive, Independent Director
3.	Mr. Rajkumar Jatia	Non-Executive, Independent Director

During the year under review, the Committee meeting was held on 13.11.2017. All the members have attended the aforesaid meeting.

The role of the Committee, inter alia, is to approve / recommend the remuneration / packages of the Executive and Non-Executive Directors and of Senior Management Personnel and to lay down the criteria for performance evaluation of the Board of Directors as whole, individual Directors and the Committees of the Board. Under the said performance evaluation framework, the Committee has identified the criteria upon which every Director, every Committee, and the Board as a whole shall be evaluated.

6. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

As required under Section 135 of the Companies Act, 2013 the Company has formed a CSR Committee consisting of the following members:

Sr.No.	Name of the Members	Designation
1.	Mr. Sharad Saraf	Chairman
2.	Mrs. Anita Shriya	Member
3.	Mr. Kamalkumar Dujodwala	Member

The Committee met on 13.11.2017 for the financial year ended March 31, 2018. All the members have attended the aforesaid CSR Committee meetings.

7. **PERFORMANCE EVALUATION OF THE BOARD**

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc. The performance evaluation of the Independent Director was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

8. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 14.11.2017 interalia to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

9. GENERAL BODY MEETINGS

The particulars of last three years Annual General Meetings are as under

AGM	Date	Time	Venue	Special Resolution Passed
35 th Annual General Meeting	26 th Sept, 2017	10.00 (a.m.)	Kumbhivali Village Savroli, Kharpada Road, Taluka-Khalapur, Khopoli-410 202. District Raigad, Maharashtra.	<ol style="list-style-type: none"> 1. Approve the remuneration to be paid to cost auditor 2. Revision in the remuneration payable to Mr. Kamalkumar Dujodwala 3. Revision in the remuneration payable to Mr. Pannkaj Dujodwala 4. Appointment of Mr. S.N. Baheti as an Independent Director of the Company
34 th Annual General Meeting	30 th Sept, 2016	10.00 (a.m.)	Kumbhivali Village Savroli, Kharpada Road, Taluka-Khalapur, Khopoli-410 202. District Raigad, Maharashtra.	<ol style="list-style-type: none"> 1. Appointment of an Auditor 2. Omnibus approval of Related party transactions 3. Approve the remuneration to be paid to cost auditor
33 rd Annual General Meeting	24 th Sept, 2015	10.00 (a.m.)	Kumbhivali Village Savroli, Kharpada Road, Taluka-Khalapur, Khopoli-410 202. District Raigad, Maharashtra.	<ol style="list-style-type: none"> 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 Mrs. Anita Shriya as an Independent Director 4. Authority to borrow

Postal Ballot:

During the FY 2017-2018, the Board of Directors in their meeting held on 02nd February, 2018 recommended the Buyback of equity Shares of the Company, the facts of the same are given in the Directors report. The Board of Directors also recommended the adoption of new set of Articles of Association of the Company under the Companies Act, 2013. The Company has taken the members approval through the Postal Ballot for:

1. Adoption of new set of Articles of Association of the Company.
2. Approval of Members for buyback of 610000 equity shares of the Company.



10. **DISCLOSURE:**

1. The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
2. During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for noncompliance of any matter related to the Capital markets
3. No Personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
4. To the extent possible the Company has complied with the mandatory requirement of this clause.
5. The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of the Companies Act, 2013.

11.

1. The quarterly half yearly and annual results are Published in National and Local dailies such as The Free Press Journal (English) or Business Standard (English) and The Navashakti (Marathi) and in official websites of Bombay Stock Exchange (www.bseindia.com).
2. The Company's results or official news are displayed on a web site www.mangalamorganics.com.
3. There were no presentations made to the institutional investors or to the analysts.
4. The Management Discussion and Analysis Report forms a part of this Annual Report.
5. General shareholder Information :

Annual General Meeting	September 29, 2018 at 10.00 am Vishwa Niketan Institute of Technology, Kumbhiali Village, Savroli-Kharpada Road, Tal: Khalapur, Dist.: Raigad, (Maharashtra). Pin Code -410202
Financial Year The Financial Calendar Financial Reporting for	April to March Announcement of Audited / Unaudited Result (tentative) 1 st Quarter – First week of August 2 nd Quarter – First week of November, 3 rd Quarter – First week of February 4 th Quarter – First week of May
Date of Book Closure	19 th September, 2018 to 29 th September, 2018
Listing of Equity shares on stock exchange	Bombay Stock Exchange (BSE)
Stock Code (BSE)	514418
ISIN No.	INE370D01013
CIN No.	L24110MH1981PLC024742



Register and Transfer Agent	Universal Capital Securities Private Ltd 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 : www.unisec.in
Dematerialisation of shares and liquidity	Shares held in Demat form as on 31st March, 2017 With NSDL : 7283286 With CDSL : 1185144 Physical : 584250
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: rajeshmishra@mangalamorganics.com
Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity	NA
Plant Locations	Kumbhivali Village, Savroli Kharpada Road, Taluka-Khalapur, Khopoli – 410 202, District Raigad, Maharashtra.
Address for correspondence	<p>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.</p> <p>For any other queries correspondence at administrative Office address at 812/812, Tulsiani Chambers, Nariman Point, Mumbai-21</p> <p>Designated email id for investor correspondence : investor@mangalamorganics.com</p>
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 :

**Market Price Date:**

Month	High	Low	No. of Shares	Month	High	Low	No. of Shares
Apr 17	77.95	61.10	1,64,139	Oct 17	127.00	75.25	4,84,924
May 17	83.00	67.45	3,34,237	Nov 17	167.90	105.00	4,90,889
Jun 17	92.40	65.15	2,31,873	Dec 17	184.50	150.00	2,62,301
Jul 17	84.00	69.00	1,29,778	Jan 18	238.55	156.10	6,91,892
Aug 17	87.30	67.50	2,17,772	Feb 18	224.60	180.15	6,55,426
Sep 17	84.00	73.10	1,55,106	Mar 18	208.75	186.00	2,14,081

Shareholding as of March 31, 2018

DISTINCTIVE NUMBERS FROM 0000000001 TO 0009052680

Description	Shareholders	% to Total	No. of share holding	% of share-holding to total	Shareholding in Rs.	% to total shareholding
UPTO - 500	8623	91.578	1121073	12.384	11210730.00	12.384
501 - 1000	414	4.397	337588	3.729	3375880.00	3.729
1001 - 2000	183	1.944	279583	3.088	2795830.00	3.088
2001 - 3000	67	0.712	173778	1.920	1737780.00	1.920
3001 - 4000	23	0.244	81208	0.897	812080.00	0.897
4001 - 5000	21	0.223	96743	1.069	967430.00	1.069
5001 -10000	37	0.393	262723	2.902	2627230.00	2.902
10001 and Above	48	0.510	6699984	74.011	66999840.00	74.011
Total	9416	100.000	9052680	100.00	9052680.00	100.00

Categories of equity shareholders as on March 31, 2018

Category	Number of equity shares held	Percentage of holding
Promoters	4246211	46.91
Mutual Funds/UTI	0.00	0.00
Bank, Financial Institution,	0.00	0.00
Corporate Bodies	704353	7.60
NRI's/Foreign National / OCBs	258804	1.69
Indian Public and other	3841812	43.80
GRAND TOTAL	9052680	100.00



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 31st March, 2018.

For Mangalam Organics Limited

Sd/-

Pannkaj Dujodwala
Managing Director

Place : Mumbai

Dated : 10/08/2018



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The members of
Mangalam Organics Limited

I 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 31st March, 2018. 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 : 10th August, 2018



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mangalam Organics Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying financial statements of Mangalam Organics Limited, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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) of the state of affairs of the Company as at March 31, 2018;
- b) its total comprehensive income (comprising of profit and other comprehensive income),
- c) of the cash flows for the year ended on that date, and
- d) of the changes in equity 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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, 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 (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial Statement comply with the Indian 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, 2018 and taken on record by the Board of Directors, none of the Directors were disqualified as on 31st March, 2018 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 to be 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 Ind-AS 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018.
 4. The reporting on disclosures relating to Specified Bank Notes is not applicable for the year ended 31st March, 2018.

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

Place: Mumbai
Date: 19th May 2018



ANNEXURE - A TO THE AUDITOR'S REPORT

(Referred to our report of even date)

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31st March, 2018 we report that:

- i) (a) (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, value added tax, custom duty, Excise duty, service tax, cess and goods and service tax with effect from 1 July 2017 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, 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 given 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 them. 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: 19th May, 2018

ANNEXURE "B" TO THE 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 31st March 2018 in continuation 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 and, 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 and 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. A 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 authorizations of management and Directors of the Company ; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March, 2018 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)
(Bhupendra Gandhi)
Partner
Membership No. 122296

Place: Mumbai

Date: 19th May, 2018

**BALANCE SHEET AS AT 31ST MARCH, 2018**

PARTICULARS	NOTE No.	31-03-2018 (Rs.)	31-03-2017 (Rs.)	01-04-2016 (Rs.)
ASSETS				
1) Non-current assets				
(a) Property, Plant and Equipment	1	328,580,310	322,271,415	347,669,161
(b) Capital work-in-progress	1	10,578,519	796,371	-
(c) Investment Property	1	-	-	-
(d) Intangible assets	1	-	-	-
(e) <u>Financial Assets</u>				
(i) Investments	2.1	25,000	25,000	25,000
(ii) Loans	2.2	33,951,847	52,761,321	53,758,161
(iii) Other financial assets	2.3	34,727,766	35,205,169	25,980,348
2) Current assets				
(a) Inventories	3	339,179,530	375,381,514	440,618,595
(b) <u>Financial Assets</u>				
(i) Investments	4.1	5,069,244	-	-
(ii) Trade receivables	4.2	238,632,972	172,411,701	121,948,730
(iii) Cash and cash equivalents	4.3	61,796,597	10,830,556	3,972,391
(iv) Bank balances & other than (iii) above	4.4	47,956,664	1,083,745	1,083,745
(v) Other Financial Assets	4.5	81,711,038	162,664,146	303,649,733
(vi) Current tax assets (net)	5	-	-	5,758,353
(c) Other current assets	6	109,743,249	120,235,640	101,188,643
Total Assets		1,291,952,736	1,253,666,578	1,405,652,860
EQUITY AND LIABILITIES				
Equity	7			
(a) Equity Share capital	A)	90,526,800	90,526,800	90,526,800
(b) Other Equity	B)	521,591,645	378,358,440	330,634,982
		612,118,445	468,885,240	421,161,782
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	8	7,686,613	109,754,453	233,202,219
(b) Provisions	9	19,618,339	10,542,863	9,631,241
(c) Deferred tax liabilities (Net)	10	26,014,702	57,382,164	85,366,931
		53,319,654	177,679,480	328,200,391
Current liabilities				
(a) Financial Liabilities				
(i) Borrowing	11	390,001,425	380,119,677	381,811,431
(ii) Trade payables	12	183,835,807	157,601,389	209,001,924
(iii) Other financial liability	13	3,098,941	17,719,417	28,234,854
(b) Other current liabilities	14	20,473,357	44,340,828	34,561,872
(c) Provisions	15	1,189,251	3,377,797	2,680,606
(d) Current Tax Liabilities (Net)	16	27,915,856	3,942,750	-
		626,514,637	607,101,858	656,290,687
Total Equity and Liabilities		1,291,952,736	1,253,666,578	1,405,652,860

As per our report of even date attached.

NGST & Associates

Chartered Accountants
 Bhupendra Gandhi (Partner)
 Mem. No. 122296 / FRN: 135159W
 Place: Mumbai
 Dated: 19th May 2018

For and on behalf of Board of Directors

Kamalkumar Dujodwala
 Chairman (DIN-00546281)

Pannkaj Dujodwala
 Managing Director (DIN-00546353)

Shrirang Rajule
 Chief Financial Officer

Ankur Gala
 Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018

PARTICULARS	NOTE No.	31-03-2018 (Rs.)	31-03-2017(Rs.)
I Revenue from Operations	17	2,442,373,942	1,966,969,457
II Other Income	18	12,466,583	6,771,715
III TOTAL INCOME (I+II)		2,454,840,525	1,973,741,172
IV Expenses			
Cost of materials consumed	19	1,684,945,291	1,068,266,421
Purchases of Stock-in-trade	20	24,163,698	19,436,761
Changes in inventories of finished goods and work-in-progress	21	5,191,299	149,484,891
Excise Duty		34,092,187	201,910,502
Employee benefits expense	22	124,806,471	88,101,704
Finance costs	23	25,626,749	44,634,373
Depreciation and amortization expense		55,028,082	52,968,725
Other expenses	24	317,098,000	319,269,305
TOTAL EXPENSES (IV)		2,270,951,777	1,944,072,683
V Profit/ (Loss) before exceptional items and tax (III - IV)		183,888,748	29,668,490
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		183,888,748	29,668,490
VIII Tax expense:			
(1) Current tax		70,000,000	9,000,000
(2) Deferred tax		(30,667,482)	(27,668,728)
IX Profit/(loss) for the period (VII-VIII)		144,556,230	48,337,218
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurment of defined benefit plan		(2,023,006)	(929,799)
(ii) Income tax relating to items that will not be reclassified to profit or loss		699,980	316,039
- Defined benefit plans		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the period (IX + X) Comprising Profit (Loss) and Other Comprehensive Income for the period)		143,233,205	47,723,458
XII Earnings per equity share:			
(1) Basic and Diluted		15.82	5.27

As per our report of even date attached

NGST & Associates

Chartered Accountants

Bhupendra Gandhi

(Partner)

Mem. No. 122296 / FRN: 135159W

Place: Mumbai

Dated: 19th May, 2018.

For and on behalf of Board of Directors

Kamalkumar Dujodwala

Chairman (DIN-00546281)

Pannkaj Dujodwala

Managing Director (DIN-00546353)

Shrirang Rajule

Chief Financial Officer

Ankur Gala

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note 1: Property, Plant & Equipment and Intangible Assets

Particulars	Freehold Land	Residential Colony	Office Premises	Buildings	Plant & Machinery	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Carrying value as on 1st April 2016	15,683,087	5,435,483	366,131	108,344,882	660,992,012	4,140,132	7,294,468	20,817,272	5,407,556	858,480,923
Additions	-	-	-	-	22,950,389	376,447	1,137,448	2,591,916	662,538	27,720,738
Deletions	-	-	-	-	(1,278,181)	(102,250)	-	(858,090)	(12,648)	(2,251,169)
Gross Carrying value as on 1st April 2017	15,683,087	5,435,483	366,131	108,344,882	712,664,220	4,415,329	8,431,916	22,551,098	6,057,446	883,950,492
Additions	-	-	-	-	51,987,599	1,091,568	488,350	7,695,356	435,017	61,697,890
Deletions	-	-	-	-	-	-	-	(504,674)	-	(504,674)
Gross Carrying value as on 31st March 2018	15,683,087	5,435,483	366,131	108,344,882	764,651,819	5,507,897	8,920,266	29,741,781	6,492,463	945,143,708
Accumulated depreciation as on 1st April 2016	-	2,795,779	181,029	55,494,202	427,713,349	2,591,394	3,780,031	14,950,295	3,303,947	510,810,426
Depreciation charge for the year	-	172,305	69,565	3,434,533	44,447,234	1,086,355	464,437	2,148,336	1,145,960	52,968,725
Depreciation on deletion	-	-	-	-	(1,213,605)	(102,250)	-	(784,217)	-	(2,100,072)
Accumulated depreciation as on 1st April 2017	-	2,968,084	250,594	58,928,735	470,946,978	3,575,499	4,244,468	16,314,414	4,449,907	561,679,079
Depreciation charge for the year	-	172,305	69,565	3,434,533	46,081,522	1,059,037	502,830	2,235,270	1,183,020	55,028,082
Depreciation on deletion	-	-	-	-	-	-	-	(143,763)	-	(143,763)
Accumulated depreciation as on 31st March 2018	-	3,140,389	320,159	62,363,268	517,028,500	4,634,536	4,747,298	18,095,921	5,632,927	616,563,398
Net book value										
At 31st March 2018	15,683,087	2,295,094	45,572	45,981,614	247,623,319	873,361	4,172,868	11,045,859	859,536	328,580,310
At 31st March 2017	15,683,087	2,467,399	115,137	49,416,147	241,717,242	840,830	4,187,448	6,236,684	1,607,539	322,271,413



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2.1 Non current investment

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Equity Shares Unquoted - carried at FVTPL a) 2500 shares of Saraswat Co-op Bank Ltd.	25,000	25,000	25,000
Total	25,000	25,000	25,000
Aggregate value of unquoted investments	25,000	25,000	25000

2.2 Loans

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Carried at amortised cost, unless otherwise stated) (Unsecured, considered good) Security deposits	33,951,847	52,761,321	53,758,161
Total	33,951,847	52,761,321	53,758,161

2.3 Other non-current financial asset

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed deposits with remaining maturity for more than 12 months	34,727,766	35,205,169	25,980,348
Total	34,727,766	35,205,169	25,980,348
Held for margin against letter of credit and bank guarantees			

3 Inventories

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials	108,146,754	133,787,955	59,451,515
Work-in-progress	32,045,013	71,800,130	93,944,523
Finished goods	182,919,303	148,355,485	275,695,983
Stores and spares	7,465,315	9,075,250	7,248,000
Power & fuel	5,434,288	7,860,474	2,559,777
Packing materials	3,068,677	4,402,040	1,618,617
Stock in trade	100,180	100,180	100,180
Total	339,179,530	375,381,514	440,618,595

4.1 Current investments

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unquoted Investment carried at fair value through profit and loss Investments in mutual funds - BOI AXA short term income fund - Regular plan - Growth [2,67,104.553 units at NAV of Rs. 18.9785 (P.Y. Nil)]	5,069,244	-	-
Total	5,069,244	-	-
Aggregate amount of unquoted investments	5,069,244	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

4.2 Trade receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade receivable from others	239,883,950	173,662,679	128,698,550
Less: Allowance for doubtful debts	(1,250,978)	(1,250,978)	(6,749,820)
Total	238,632,972	172,411,701	121,948,730
Break up of security details			
Unsecured, considered good	238,632,972	172,411,701	121,948,730
Doubtful	1,250,978	1,250,978	6,749,820
Total	239,883,950	173,662,679	128,698,550
Trade receivables with a carrying amount of Rs. 23,98,83,950 (March 31, 2017: Rs. 17,36,62,679 and April 1, 2016: Rs. 12,86,98,550) have been pledged as security against current bank borrowings.			

4.3 Cash & cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash and Cash Equivalents			
Balances with Banks			
In Current Account	61,165,575	10,421,134	3,412,189
In Deposit Account	-	-	-
Cash on Hand	631,022	409,422	560,202
Fixed deposits with remaining maturity for less than 3 months	-	-	-
Total	61,796,597	10,830,556	3,972,391

4.4 Bank balances & other Cash & Cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance in unpaid dividend account	547,344	1,083,745	1,083,745
Fixed deposits with remaining maturity for more than 12 months	-	-	-
Fixed deposits with remaining maturity for less than 12 months	47,409,320	-	-
Total	47,956,664	1,083,745	1,083,745
There are no amounts due or outstanding to transfer in Investor Education Fund Account.			

4.5 Other Financial Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Insurance Claim Receivable	81,711,038	162,643,552	303,550,698
Advance to Staff	-	20,594	99,035
Total	81,711,038	162,664,146	303,649,733

5 Current tax assets (net)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance income tax & TDS (net of provision for tax)	-	-	5,758,353
Total	-	-	5,758,353



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

6 Other Current Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance to Suppliers	54,176,302	54,039,447	12,583,716
Balance with Revenue Authorities	52,348,701	56,361,778	88,372,467
Prepaid Expenses	1,064,276	441,225	232,460
Other Advance	2,153,970	9,393,190	-
Total	109,743,249	120,235,640	101,188,643

7. Equity

A. Equity Share Capital

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised 12,000,000 (As at 31st March, 2017: 12,000,000 , As at 1st April, 2016 : 12,000,000) Equity Shares of Rs 10 each	120,000,000	120,000,000	120,000,000
Issued, Subscribed and Paid up 90,52,680 (As at 31st March, 2017: 92,52,680 , As at 1st April, 2016: 92,52,680) Equity Shares of Rs 10 each	90,526,800	90,526,800	90,526,800
Total	90,526,800	90,526,800	90,526,800

7.1. Reconciliation of equity shares outstanding at the beginning and end of the year

Issued , subscribed and paid up share capital	No of shares	No of shares	No of shares
Balance as at 1st April	9,052,680	9,052,680	9,052,680
Add / (Less): Changes during the year	-	-	-
Balance as at 31st March	9,052,680	9,052,680	9,052,680

7.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having par value of Re. 10/- . each (P.Y. Rs. 10/- each) holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the 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 held by the shareholders.

7.3. Shares held by shareholders each holding more than 5% of the shares

As at 31st March 2018

Shareholders	No of shares	% of holding
Indo Euro Securities Ltd.	1,829,417	20.21
Manisha Dujodwala	853,250	9.43
Alka Dujodwala	578,790	6.39

As at 31st March 2017

Shareholders	No of shares	% of holding
Indo Euro Securities Ltd.	1,829,417	20.21
Manisha Dujodwala	853,250	9.43
Alka Dujodwala	578,790	6.39



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

As at 1st April 2016

Shareholders	No of shares	% of holding
Indo Euro Securities Ltd.	1,829,417	20.21
Manisha Dujodwala	853,250	9.43
Alka Dujodwala	578,790	6.39

B. Other Equity

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital reserve	7,025,984	7,025,984	7,025,984
Securities premium reserve	80,996,677	80,996,677	80,996,677
General reserve	14,991,838	14,991,838	14,991,838
<u>Surplus/(Deficit) in the Statement of Profit and Loss</u>			
- Opening Balance	275,343,941	227,620,483	331,031,079
- Total Comprehensive Income for the Period	143,233,205	47,723,458	(103,410,596)
Total	521,591,645	378,358,440	330,634,982

8. Non -Current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Carried at amortised cost, unless otherwise stated)			
Secured Loans - From Bank			
Corporate Loan - Saraswat Bank	-	46,974,456	61,533,781
Rupee Term Loan I	-	60,611,507	157,600,000
Rupee term loan II	-	-	8,014,870
Rupee Working Capital Demand Loan	-	-	3,509,316
Loan from Reliance Capital Ltd	-	-	1,694,122
Vehicle Loan	7,686,613	2,168,490	850,129
Total	7,686,613	109,754,453	233,202,219
Refer note 11 below for securities			

9. Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits			
Provision For Gratuity	18,278,975	9,293,417	8,561,108
Provision For Leave Encashment	1,339,364	1,249,446	1,070,133
Total	19,618,339	10,542,863	9,631,241

10. Deferred tax liabilities (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Tax effect of items constituting deferred tax liability			
Depreciation	33,632,225	62,397,907	90,513,853
On account of provision for diminution in value of non - current investment	-	-	-
Remeasurement of defined benefit plan - OCI	-	-	-
Total DTL	33,632,225	62,397,907	90,513,853
Tax effect of items constituting deferred tax assets			
Provision for doubtful debts and employee benefits	7,617,523	5,015,743	5,146,922
Total DTA	7,617,523	5,015,743	5,146,922
Net (DTA)/DTL	26,014,702	57,382,164	85,366,931
Total	26,014,702	57,382,164	85,366,931



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

11 Short Term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<u>Loan Repayable on Demand - From Bank</u>			
Buyers Credit, Pre-shipment / Post shipment credit	289,117,580	278,383,952	215,085,734
Cash Credit - The Saraswat Co-Op. Bank Ltd	100,883,845	101,735,725	166,725,697
(All the above working capital facilities are secured against all the current assets (present and future) of the Company). Term loan is secured against first charge on the present and future fixed assets of the Company (Land & Building, Plant & Machinery) 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. (These facilities are further secured by personal guarantee of Mr. Kamal Dujodwala, Chairman & Mr. Pannkaj Dujodwala, Managing Director of the Company.			
Total	390,001,425	380,119,677	381,811,431

12 Trade payables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Micro and Small Enterprises	-	-	-
Creditors other than Micro and Small Enterprises	140,660,898	123,981,397	183,745,672
Creditors for Expenses	43,174,909	33,619,992	25,256,253
Total	183,835,807	157,601,389	209,001,924

13 Other financial liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current liabilities of long term borrowings	1,653,052	12,798,708	22,596,326
Payable to Employee	913,845	3,852,464	4,570,283
Unpaid Dividend	532,044	1,068,245	1,068,245
Total	3,098,941	17,719,417	28,234,854

14 Other current liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance from customers	9,040,744	16,203,384	30,360,818
Other Liabilities	9,047,528	13,973,554	1,068,079
<u>Statutory Payables</u>			
GST/Sales Tax payable	-	2,517,008	-
TDS payable	1,561,595	-	557,475
Other statutory dues payable	823,490	11,646,882	2,575,500
Total	20,473,357	44,340,828	34,561,872



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

15 Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
Gratuity	1,141,556	3,276,102	2,555,108
Leave Encashment	47,695	101,695	125,498
Total	1,189,251	3,377,797	2,680,606

16 Current tax liabilities (net)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provisions for Income Tax (Net of Advance Tax)	27,915,856	3,942,750	-
Total	27,915,856	3,942,750	-

17 Revenue From Operations

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
<u>Sale of Products/ Services:</u>		
Local Sales	2,289,857,789	1,862,539,699
Export Sales	123,862,661	82,801,325
Trading Sales	28,653,492	21,628,433
	2,442,373,942	1,966,969,457
Revenue from operations	2,442,373,942	1,966,969,457

18 Other Income

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Dividend Income on Non-Current investments	7,500	3,750
Fair valuation gain on investment (net)	69,244	-
Excise - SAD refund	-	109,503
Miscellaneous Income	7,436,900	3,361,942
Bad-Debts Recovered	923,137	-
Interest Income		
- others - carried at amortized cost	4,029,802	3,296,520
Total	12,466,583	6,771,715

19 Cost of material consumed

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Inventory at the beginning of the year	133,787,955	59,451,515
Add: Purchase	1,659,304,090	1,142,602,861
Less: Inventory at the end of the year	108,146,754	133,787,955
Total Cost of materials consumed	1,684,945,291	1,068,266,421



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

20 Purchase of stock-in-trade

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Trading Purchase	24,163,698	19,436,761
Total	24,163,698	19,436,761

21 Changes in inventories of finished goods and work in progress

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Closing stock		
Work-in-progress	32,045,013	71,800,130
Finished goods	182,919,303	148,355,485
Stock in trade	100,180	100,180
Opening stock		
Work-in-progress	71,800,130	93,944,523
Finished goods	148,355,485	275,695,983
Stock in trade	100,180	100,180
Total	5,191,299	149,484,891

22 Employee benefit expense

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Salaries, wages and bonus	110,742,944	82,597,791
Contribution to provident and other funds	3,227,458	2,382,379
Gratuity & Leave expenses	6,497,162	679,014
Staff welfare expenses	4,338,907	2,442,520
Total	124,806,471	88,101,704

23 Finance cost

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Interest expenses	20,363,076	40,498,459
Bank charges	5,263,673	4,135,914
Total	25,626,749	44,634,373

24 Other expenses

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Manufacturing expenses:		
Consumption of stores and spare parts	37,547,376	16,477,699
Power and fuel	118,080,996	70,302,253
Consumption of packing materials	40,588,095	26,345,109
Boiler expenses	1,993,139	1,884,005
Repairs and Maintenance:		
- Building & others	14,393,359	4,614,721
- Machinery	22,912,078	16,466,076
Excise Duty Variation Exp	(11,646,282)	(14,029,396)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
Administrative and selling expenses:		
Insurance	3,730,680	2,394,046
Rates and taxes	5,705,661	7,133,067
Legal and professional fees	8,620,235	7,527,889
Short insurance claim received	-	123,307,146
Allowances/ written off	-	6,333,114
Miscellaneous expenses	17,022,068	5,686,612
Payment to auditor:		
<u>As auditors:</u>		
- Audit fee	330,000	330,000
- Tax audit fees	100,000	100,000
Freight and forwarding charges	40,201,560	31,659,835
Export expenses	518,857	845,398
Loss on sales of fixed assets	57,458	9,373
Corporate Social Responsibility Exp	1,001,600	
Rebate and discounts on sales	-	384,146
Security Charges	2,578,943	2,668,956
Traveling & Conveyance Expenses	13,362,177	8,829,256
Total	317,098,000	319,269,305

Note - 25

Corporate Information

Mangalam Organics Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L24110MH1981PLC024742. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the business of manufacturing of Camphor, Resin and Sodium Acetate. The Company has a strong foothold in the Pine Chemicals Industry. The principal place of business of the company is at Kumbhivali, Maharashtra. The Company caters to both domestic and international markets.

Note - 26

1. Significant Accounting Policies:-

Basis of Preparation of Financial Statements:-

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards'. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 which was the "Previous GAAP".

The Company's presentation and functional currency is Indian Rupees (Rs.). All figures appearing in the financial statements are rounded off to the Rupee, except where otherwise indicated.

1.1 Authorization of Financial Statements:-

The preparation of Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of the assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.2 Property, Plant and Equipment

- 1.2.1 Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.2.2 The initial costs of an asset comprises its purchase price or construction costs (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 1.2.3 Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.2.4 Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- 1.2.5 An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is de-recognized upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is de-recognized.
- 1.2.6 The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any are accounted in line with revisions to accounting estimates.
- 1.2.7 The Company has elected to use exemption available under Ind AS 101 to continue the carrying value for all its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per previous GAAP and use that as its deemed cost as at the date of transition (1st April 2016).
- 1.2.8 Cost of assets not ready for use at the balance sheet date is disclosed under Capital Work-in-Progress. Expenditure during Construction period is included under Capital Work-in-Progress & the same is allocated to the respective Property, Plant and equipment on the completion of its Construction.



1.3. Depreciation

Depreciation on Property, Plant and Equipment are provided on straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

- 1.3.1 Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.
- 1.3.2 Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 1.3.3 Depreciation is charged on additions/deletions on pro-rata daily basis of addition/deletion.

1.4 Intangible Assets

- 1.4.1 Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

1.5 Investment Property

- 1.5.1 Investment property is property (land or a building - or part of building - or both) held either to earn rental income or a capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.
- 1.5.2 Any gain or loss on disposal of investment property calculated as the difference between the net proceeds and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

1.6 Borrowing Costs

- 1.6.1 Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- 1.6.2 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.7 Impairment of Non-financial Assets

- 1.7.1 Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.
- 1.7.2 When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.8 Inventories

- 1.8.1 The cost for the purpose of valuation of goods is arrived at on FIFO basis and includes estimated Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

The mode of valuing closing stock is as under:

- Raw Materials, Packing goods and General Stores are valued at cost or net realizable value, whichever is less,

excluding CENVAT, and VAT/GST credit, by FIFO method.

- Work-in-Process is valued at raw material cost plus estimated overheads or net realizable value; whichever is less but excluding CENVAT, VAT/GST credit.
- Finished Goods valued at cost including estimated overheads or net realizable value whichever is less.

1.8.2 Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.9 Revenue Recognition

1.9.1 Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of the ownership of the goods have passed to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the Company.

Revenue from sale of goods includes excise duty, sales tax / VAT but excludes GST and is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, net of returns, taxes or duties collected on behalf of the government.

Export Sales are accounted for on the basis of the date of Bill of Lading.

1.9.2 Interest income is recognized using Effective Interest Rate (EIR) method.

1.10 Classification of Income/ Expenses

1.10.1 Incomes and expenditures are recognized on accrual basis except in case of significant uncertainty like Claims payable & receivable, which have accounted on acceptance basis. Purchases are reported of net of trade discounts, returns VAT/GST (to the extent refundable/ adjustable)

1.11 Employee benefits

1.11.1 Short term employment benefits

Short term employee benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.11.2 Defined Contribution Plans

• Employee's Family Pension:

The Company has Defined Contribution Plan for Post-employment benefits in the form of family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. The Company has no further obligation beyond its monthly contributions.

• Provident Fund:

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 and is charged to revenue every year. The Company has no further obligations beyond its monthly contributions.

1.11.3 Defined Benefit Plans

• Gratuity:

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 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.

- **Compensated Absences :**

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of avilment of leave whilst in service and qualifying salary on the date of avilment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account all types of the increment, salary growth, attrition rate and qualifying salary projected up to the assumed date of encashment.

1.11.4 Termination Benefits:

- Termination benefits are recognised as an expense as and when incurred.

1.11.5 The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

1.11.6 The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

1.11.7 Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

1.11.8 Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

1.12 Foreign Currency Transactions

1.12.1 Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

1.12.2 Non - Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.13 Provisions, Contingent Liabilities and Capital Commitments

1.13.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.13.2 The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

1.13.3 Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.13.4 Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.14 Fair Value measurement

- 1.14.1 The Company measures certain financial instruments at fair value at each reporting date.
- 1.14.2 Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- 1.14.3 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.
- 1.14.4 The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.15 Financial Assets

1.15.1 Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.15.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

1.15.3 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. The application of simplified approach does not require the Company to track changes in credit risk. Based on the past history and track records the company has assessed the risk of default by the customer and expects the credit loss to be insignificant. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.17 Taxes on Income

1.17.1 Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the

taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.17.2 Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.18 Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

1.19 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.20 Cash and Cash equivalents

- Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.21 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of



transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.22 Goods and Services Tax (GST)

Goods and Services Tax (GST) has been implemented with applied from 1st July 2017 and therefore the Revenue from operations from 1st July 2017 are net of GST. Revenue from operations for the quarter and previous year ended 31st March, 2017 having inclusive of excise duty are not comparable with the corresponding figures for the quarter and year ended 31st March, 2018.

NOTE TO ACCOUNTS

27. Contingent liabilities - Not provided for in respect of

i.	31 st March 2018 (Rs.)	31 st March 2017 (Rs.)
Bank Guarantee	44,39,320	44,39,320

Bank guarantees issued by banks on behalf of the Company Rs. 44.39 Lacs (Previous Year Rs. 44.39 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 st March 2018 (Rs.)	31 st March 2017 (Rs.)
Feb 04 to May 05 (Camphor Price Difference Duty)	64,52,240	64,52,240
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)	1,68,38,001	1,68,38,001
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 18th 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 30th 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 31st 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 Company's 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's appeal and the company has filed Review petition. he Company's writ petition (Civil) in the Delhi High Court against the wrong affidavit filed by the department as too the policy decision which resulted in rejection of appeal in Apex Court was also dismissed as withdrawn and now the Company is planning to file appeal against said order in Apex Court or may even file curative review if needed.
- iv. Letter of credit issued by the bankers of the Company Rs. 30,29,46,755/- (P.Y. Rs. 29,61,43,961/-)
- v. The Company has cleared 19 MT of Pentaerythritol 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. Further, the said appeal has been upheld in CESTAT & remanded back to the learned adjudicating authority.

- 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. 7,90,53,366/-. The party had filed litigation for the same in previous 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. However the Company has paid Rs. 372.95 Lakhs till date.

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. 1,238.62 Lacs (P.Y.Rs. 828.01 Lacs) out of Total Turnover of Rs. 24,082.82 Lacs (P.Y.Rs. 17,650.59 Lacs). But due to the nature of business, the assets/ liabilities and expenses for these activities cannot be bifurcated separately.

29. Earnings per share (EPS)

Sl. No.	Description	31 st March 2018	31 st March 2017
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/ (Loss) after tax available for Equity share-holders	14,32,33,205	4,77,23,457
c)	- Basic Earnings per Equity Share (in Rupees)	15.82	5.27
	- Diluted Earning per Equity Share (in Rupees)	15.82	5.27

30. Related parties' disclosure as per Ind AS-24 Related Party Disclosures "(Specified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2015.):

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

Mr. Kamalkumar Dujodwala	Chairman
Mr. Pannkaj Dujodwala	Managing Director
Mr. Akshay Dujodwala	Son of Chairman
Mrs. Manisha Dujodwala	Spouse of Managing Director
Mrs. Alka 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.
- Chemexil Corporation

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 Ind AS-24 for the year ended 31st March 2018:

Nature of transactions	Relationship	Total Rs. In Lakhs	
		2017-18	2016-17
Remuneration			
Mr. Kamalkumar Dujodwala	Key management personnel	40.00	12.00
Mr. Pannkaj Dujodwala	Key management personnel	40.00	12.00
Mr. Akshay Dujodwala	Key management personnel	59.50	6.00
TOTAL		139.50	30.00

Nature of transactions	Relationship	Nature	Amount in Lakhs	
			2017-18	2016-17
Net Loans & Advances, Deposits given / Returned/Taken				
Dujodwala Resins & Terpenes Ltd	Associates	Rent Deposit	500.00	500.00
Total			500.00	500.00

Nature of transactions	Relationship	Total Rs. In Lakhs	
		2017-18	2016-17
Purchase from Associates			
Dujodwala Resins & Terpenes Ltd	Associates	86.71	--
Speciality Chemicals	Associates	--	7.16

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

31. Disclosure in accordance with Ind AS - 19 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, 2018	For the year ended March 31, 2017
Employers Contribution to Provident Fund	22,50,750	21,15,050

**(ii) Defined Benefit Plan
Gratuity Fund:**



a. Major Assumptions	For the year ended March 31, 2018	For the year ended March 31, 2017
	(% p.a.)	(% p.a.)
Discount Rate	7.30	7.00
Salary Escalation Rate	5.00	5.00
Attrition Rate	2.00	2.00
@ The estimates for the future salary increases considered taken into account the Inflation, seniority, promotion and other relevant factors.		
b. Change in the Present Value of Obligation		
Opening Present Value of Obligation	1,25,69,519	1,11,16,216
Current Service Cost	11,41,556	10,21,791
Interest Cost	7,65,203	7,72,335
Benefit Paid	(8,11,132)	(12,70,622)
Past Service Cost	37,32,379	-
Actuarial Loss on Obligations	20,23,006	9,29,799
Closing Present Value of Obligation	1,94,20,531	1,25,69,519
c. Change in Fair Value of Plan Assets		
Opening Present Value of Plan Assets	-	-
Expected Return on Plan Assets	-	-
Actuarial (Loss) on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Closing Present Value of Plan Assets	-	-
d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Present value of Funded Obligation as at March 31, 2018	-	-
Fair Value of Plan Assets as at March 31, 2018	-	-
Funded Status	-	-
Present Value of Unfunded Obligation as at March 31, 2018	1,94,20,531	1,25,69,519
Unfunded Net Liability Recognized in the Balance Sheet disclosed in long term provisions	1,94,20,531	1,25,69,519
e. Amount Recognized in the Balance Sheet		
Present Value of Obligation as at March 31, 2018	1,94,20,531	1,25,69,519
Fair Value of Plan Assets as at March 31, 2018	-	-
Liability Recognized in the Balance Sheet and disclosed under provisions	1,94,20,531	1,25,69,519
f. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	11,41,556	10,21,791
Interest Cost	7,65,203	7,72,335
Expected Return on Plan Assets	-	-
Past Service Cost	37,32,379	-
Total expenses Recognized in the Statement of Profit and Loss	56,39,138	17,94,126
Actual Return on Plan Assets	Nil	Nil
g. Other Comprehensive Income for the year		
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	(3,09,992)	6,13,002
- Due to experience adjustments	-	-
- Return on plan assets excluding amounts included in interest income	23,32,998	3,16,797
Amounts recognized in Other Comprehensive Income	20,23,006	9,29,799

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

The method of Valuation adopted was the Projected Unit Credit Method as specified in Ind AS-19.

Valuation Results

Actuarial Value of Leave Encashment

Benefits as on 31st March, 2018 in

Rs. 4,96,563/-

BREAK-UP OF ABOVE

:

Current Liability

Rs. 47,695/-

Non Current Liability

Rs. 4,48,868/-

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

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
- Raw Material (CIF)	13081.05	9,877.08
- Traveling Expenses	64.46	18.30
- Purchase of Trading Goods	--	--

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

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
Exports made on FOB Basis	1155.26	756.04

34. 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.
35. 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.
36. Payments to Micro, Small and Medium Enterprises are made in accordance with the agreed credit terms and to the extent ascertained from available information, there is no overdue payable to MSME units beyond the period specified in Micro, Small and Medium Enterprises Development Act, 2006
37. 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 24th December 2016 wherein final loss was assessed at Rs. 18.02 crores and therefore balance amount of Rs. 12.33 crores not recoverable was written off in Statement of Profit & Loss during year ended 31st March 2017. Further, during the current year amount of Rs. 8.09 crores have been received from insurance company and balance amount is still receivable.

38. **Notes to first time adoption:****1. Employee Benefit Cost:**

Under Ind AS the actuarial gains and losses form part of the remeasurement of the net defined benefit Liability / Assets and is recognized in other comprehensive income. Under IGAAP, actuarial gains and losses were recognized in profit or loss. Consequently, the deferred tax effect of the same has also been recognized in other comprehensive income under Ind AS instead of profit or loss.

2. **Fair Valuation of Investment:**

Under IGAAP investment in equity / other instruments were classified into long term and current investments. Long term investments were carried at cost less provision, other than temporary in nature. Current investments were carried at lower of cost as fair value. Under Ind AS, these investments are required to be measured at fair value either through other comprehensive income or through profit and loss. The company has opted to fair value of these investments through profit & loss.

3. **Deferred Taxes:**

Under previous GAAP, deferred taxes were recognized based on profit and loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS deferred tax is recognized by following Balance Sheet approach i.e. tax impact on temporary difference between the carrying value of assets and liabilities in the books and their respective tax base. Also deferred tax has been recognized on the adjustments made on transition to Ind AS.

4. **Excise Duty:**

Under previous GAAP, revenue from sale of goods was presented net of excise duty on sale. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in statement of profit and loss as an expense.

5. **Other Equity:**

Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS, for the above-mentioned items.

6. **Optional Exemption availed:**

Deemed Cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in the financial statement as at 31.03.2016 measured as per the previous GAAP and use that as its deemed cost as at the transition date.

7. **Applicable Mandatory Exceptions**

a) **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies)

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(i) Impairment of financial assets based on expected credit loss model.

b) **Depreciation of financial assets and financial liabilities**

Ind AS 101 requires first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows the first time adopter to apply the de-recognition requirement in Ind AS 109 retrospectively from the date to the entities choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities to de-recognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

c) **Classification and measurement of financial assets**

As required under Ind AS 101 the Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition Ind AS. Where practicable, measurement

of financial assets accounted at amortized cost has been done retrospectively.

d) Impairment of financial assets

Ind AS 101 requires an entity to apply the Ind AS requirements retrospectively if it is practicable, without undue cost and effort to determine the credit risk that debt financial instruments were initially recognized. The Company has measured impairment losses on financial assets as on the date of transition i.e. 1st April 2016 in view of cost and effort.

**Transition to Ind AS -
Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- (i) Reconciliation of Balance sheet as at 1st April 2016 (Transition Date);
- (ii) Reconciliation of Balance sheet as at 31st March 2017;
- (iii) Reconciliation of Total Comprehensive Income for the year ended 31st March 2017;
- (iv) Reconciliation of Total Equity as at 1st April 2016 and as at 31st March 2017;
- (v) Adjustments to Cash Flow Statements as at 31st March, 2017

The presentation requirements under previous GAAP differs from Ind AS, and hence, previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The re-grouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with previous GAAP.

Sr. No.	Particulars	Notes	As at 31st March, 2017			As at 1st April, 2016		
			(End of the last period presented under previous GAAP)			(Date of transition)		
			Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet	Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS balance sheet
1	Non-current assets							
(a)	Property, Plant and Equipment		32,22,71,415		32,22,71,415	34,76,69,161		34,76,69,161
(b)	Capital work-in-progress		7,96,371		7,96,371	-		-
(c)	Investment Property (Ind AS 40)							
(d)	Goodwill							
(e)	Other Intangible assets		-		-	-		-
(f)	Intangible assets under development							
(g)	Investment in Subsidiaries and Joint Venture							
(h)	<u>Financial Assets</u>							
(i)	Investments		25,000		25,000	25,000		25,000
(ii)	Trade Receivables							
(iii)	Loans		5,27,61,321		5,27,61,321	5,37,58,161		5,37,58,161
(iv)	Others (to be specified)		3,52,05,169	-	3,52,05,169	2,59,80,348		2,59,80,348
(i)	Deferred tax assets (net)					-		-
(j)	Other non-current assets		-		-	-		-
	Total non-current assets		41,10,59,276	-	41,10,59,276	42,74,32,670	-	42,74,32,670



2	Current assets						
(a)	Inventories	37,53,81,514		37,53,81,514	44,06,18,595		44,06,18,595
(b)	Financial Assets						
	(i) Investments						
	(ii) Trade Receivables	17,24,11,701		17,24,11,701	12,19,48,730		12,19,48,730
	(iii) Cash and cash equivalents	1,08,30,556		1,08,30,556	39,72,391		39,72,391
	(iv) Bank balances other than (iii) above	10,83,745		10,83,745	10,83,745		10,83,745
	(v) Loans	-		-			
	(vi) Other financial assets	16,26,64,146		16,26,64,146	30,36,49,733		30,36,49,733
(c)	Current Tax Assets (Net)	-		-	57,58,353		57,58,353
(d)	Other current assets	12,02,35,640	-	12,02,35,640	12,68,64,321	-	12,68,64,321
	Total current assets	84,26,07,302	-	84,26,07,302	1,00,38,95,868	-	1,00,38,95,868
	Total Assets	1,25,36,66,578	-	1,25,36,66,578	1,43,13,28,538	-	1,43,13,28,538
	EQUITY AND LIABILITIES						
	Equity						
(a)	Equity Share capital	9,05,26,800		9,05,26,800	9,05,26,800		9,05,26,800
(b)	Other Equity	37,83,58,440	-	37,83,58,440	33,06,34,982	-	33,06,34,982
	Total equity	46,88,85,240	-	46,88,85,240	42,11,61,782	-	42,11,61,782
	Liabilities						
1	Non-current liabilities						
(a)	Financial Liabilities						
	(i) Borrowings	10,97,54,453		10,97,54,453	23,32,02,219		23,32,02,219
	(ii) Trade Payables	-		-	-		-
	(iii) Other financial liabilities (other than those specified in item (b), to be specified)	-	-	-	-	-	-
(b)	Provisions	1,05,42,863		1,05,42,863	96,31,241		96,31,241
(c)	Deferred tax liabilities (Net)	5,73,82,164	-	5,73,82,164	8,53,66,931	-	8,53,66,931
(d)	Other non-current liabilities						
	Total non current liabilities	17,76,79,480	-	17,76,79,480	32,82,00,391	-	32,82,00,391
2	Current liabilities						
(a)	Financial Liabilities						
	(i) Borrowings	38,01,19,677		38,01,19,677	38,18,11,431		38,18,11,431
	(ii) Trade payables	15,76,01,389		15,76,01,389	20,90,01,924		20,90,01,924
	(iii) Other financial liabilities	1,77,19,417		1,77,19,417	2,82,34,854		2,82,34,854
(b)	Other current liabilities	4,43,40,828		4,43,40,828	6,02,37,550		6,02,37,550
(c)	Provisions	33,77,797	-	33,77,797	26,80,606		26,80,606
(d)	Current Tax Liabilities (Net)	39,42,750		39,42,750	-		-
	Total current liabilities	60,71,01,858	-	60,71,01,858	68,19,66,365	-	68,19,66,365
	TOTAL EQUITY AND LIABILITIES	1,25,36,66,578	-	1,25,36,66,578	1,43,13,28,538	-	1,43,13,28,538

(iii) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017:					
Sr. No.	Particulars	Notes	Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS P&L
I	Revenue From Operations		1,76,50,58,955	20,19,10,502	1,96,69,69,457
II	Other Income		67,71,715	-	67,71,715
III	Total Income (I+II)		1,77,18,30,670	20,19,10,502	1,97,37,41,172
IV	EXPENSES				
1	Cost of materials consumed		1,06,82,66,421	-	1,06,82,66,421
2	Purchase of Stock in Trade		1,94,36,761	-	1,94,36,761
3	Changes in inventories of finished goods, stock in trade and work-in-progress		14,94,84,891	-	14,94,84,891
4	Excise Duty		-	20,19,10,502	20,19,10,502
5	Employee benefits expense		8,90,31,503	-9,29,799	8,81,01,704
6	Finance costs		4,46,34,373	-	4,46,34,373
7	Depreciation and amortization expense		5,29,68,725	-	5,29,68,725
8	Other expenses		31,92,69,305	-	31,92,69,305
	Total expenses (IV)		1,74,30,91,980	20,09,80,703	1,94,40,72,683
V	Profit/(loss) before tax (III-IV)		2,87,38,691	9,29,799	2,96,68,490
VI	Tax expense:				
VII	1 Current tax		90,00,000	-	90,00,000
	2 Deferred tax		-2,79,84,767	3,16,039	-2,76,68,728
	3 Tax in respect of Earlier Years		-	-	-
			4,77,23,458	6,13,760	4,83,37,218
VIII	Profit for the year (V-VII)		4,77,23,458	6,13,760	4,83,37,218
IX	Other Comprehensive Income				
X	(i) Items that will not be reclassified to profit or loss		-	-9,29,799	-9,29,799
XI	- Remeasurement of Defined benefit plans		-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	3,16,039	3,16,039
XII	- Remeasurement of Defined benefit plans		-	-	-
XIII	Total comprehensive income for the year		4,77,23,458	-	4,77,23,458

**Reconciliation of Total Equity as at 1st April, 2016 and as at 31st March, 2017:**

Particulars	As at 31st March, 2017	As at 1st April, 2016
Equity as per Previous GAAP	46,88,85,240	42,11,61,782
(i) Fair valuation of financial instruments	-	-
(ii) Reclassification of net actuarial gain on defined gain obligation to other comprehensive income	-9,29,799	-
(iii) Loss allowance of trade receivables as per expected credit loss model	-	-
(iv) Interest on loan to subsidiary	-	-
(v) Deferred tax impact	3,16,039	-
Total Impact	-6,13,760	-
Total Equity as per Ind AS	46,82,71,480	42,11,61,782

39. Previous year figures have been regrouped and reclassified to conform 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: 19th May, 2018.

For and on behalf of Board of Directors

Kamalkumar Dujodwala
Chairman
(DIN-00546281)

Shrirang Rajule
Chief Financial Officer

Pannkaj Dujodwala
Managing Director
(DIN-00546353)

Ankur Gala
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	183,888,748	29,668,490
Adjustment For :		
Depreciation	55,028,082	52,968,725
Interest Income	(4,029,802)	(3,296,520)
Dividend received	(7,500)	(3,750)
Interest paid	25,626,749	44,634,373
(Profit)/ Loss on sale of fixed assets & loss by fire	57,458	(354,286)
Operating profit before working capital changes	260,563,736	123,617,032
Adjustment For :		
Trade & other receivables	(2,361,814)	63,247,638
Inventories	36,201,984	65,237,081
Trade and other payables	(1,313,190)	(41,660,382)
Cash generated from operations	293,090,716	210,441,369
Income tax paid	(46,026,894)	703,444
Net cash generated from operating activities - I	247,063,822	211,144,813
B. Cash flow from investing activities :		
Payments for property, plant and equipment	(71,480,038)	(28,517,109)
Interest Income	4,029,802	3,296,520
Dividend Received	7,500	3,750
Proceeds from property, plant and equipment	303,452	501,701
Net cash used in investing activities - II	(67,139,284)	(24,715,138)
C. Cash flow from financing activities		
(Repayment)/ Proceeds of/ from short term borrowings	(1,263,908)	(11,489,372)
(Repayment)/ proceed of/ from long term borrowings	(102,067,840)	(123,447,766)
Interest paid	(25,626,749)	(44,634,373)
Net cash used in financing activities - III	(128,958,497)	(179,571,510)
Net increase in cash and cash equivalents	50,966,042	6,858,165
Opening balance of cash & cash equivalents	10,830,556	3,972,391
Closing balance of cash & cash equivalents	61,796,597	10,830,556

Notes:

1. Cash & cash equivalents represents cash and bank balances.
2. Figures in brackets represents cash outflow.

As per our report of even date attached.

NGST & Associates

Chartered Accountants

Bhupendra Gandhi

(Partner)

Mem. No. 122296 / FRN: 135159W

Place: Mumbai

Dated: 19th May 2018

For and on behalf of Board of Directors

Kamalkumar Dujodwala

Chairman (DIN-00546281)

Pannkaj Dujodwala

Managing Director (DIN-00546353)

Shrirang Rajule

Chief Financial Officer

Ankur Gala

Company Secretary



100%

शुद्ध कपूर • PURE CAMPHOR

कोई अवशेष या राख नहीं छोड़ता
लौ लम्बे समय तक जल
हानिकारक धुआं नहीं छोड़ता





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, Website : www.mangalamorganics.com

36th Annual General Meeting – Saturday, September 29, 2018

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 36th Annual General Meeting of the Company at **Vishwa Niketan Institute of Management, (Conference Hall)** Kumbhivali Village, Savroli Kharpada Road, Taluka-Khalapur, Khopoli, District Raigad, Maharashtra, on Saturday, September 29, 2018 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, Website : www.mangalamorganics.com

36th Annual General Meeting – Saturday, September 29, 2018

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 36th AGM of the Company to be held on Saturday September 29, 2018 at 10.00 a.m. at **Vishwa Niketan Institute of Management, (Conference Hall)** Kumbhivali Village, Savroli Kharpada Road, Taluka-Khalapur, Khopoli, 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
	ORDINARY BUSINESS			
1.	Adoption of Audited Balance sheet as at 31 st March, 2018 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.	Approval for Dividend			
3.	To appoint Director in place of Mr. Kamal Dujodwala who retires by rotation and being eligible offers himself for reappointment.			
4.	Ratification of the appointment of M/s. NGST & Associates Chartered Accountants as the statutory auditors of the Company.			
	SPECIAL BUSINESS			
5.	Approve remuneration of Cost Auditor			
6.	Approval of the shareholders for the remuneration payable to Mr. Kamalkumar Dujodwala.			
7.	Approval of the shareholders for the remuneration payable to Mr. Pannkaj Dujodwala			
8.	Approval of Shareholders for appointment of Mr. Akshay Dujodwala and remuneration payable to him			

Signed this _____ day of _____, 2018 _____ 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.



Mangalam Organics Limited

(CIN: L24110MH1981PLC024742)

Regd Office: Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli, Maharashtra - 410202, India

Administrative Office: 812 Tulsiani Chambers, 212 Nariman Point, Mumbai - 400021, Maharashtra, India

Tel: +91-22-49204089, **Fax:** +91-22-22841281

For Physical Shareholders only

Dear Shareholder(s),

Sub: - PAN Number and Bank Account Number

As per SEBI Circular No. SEBI/ HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, PAN Number and Bank Account details are to be updated with the Company.

Please note that as per our records, you are holding shares in physical form, you are therefore requested to submit following documents;

- Self attested copy of the PAN Card(s) of sole/ joint holder(s)
- Original cancelled cheque leaf bearing name of the of sole/First holder

OR

Copy of the bank passbook containing Name, Account Number, IFSC Code, MICR Code of the sole/First holder duly attested by the Bank

You are requested to send the above documents along with enclosed response form duly signed by all the shareholders as per specimen signature registered with the Company within 21 days from the date of this letter to the Registrar and Share Transfer Agent on following address for updating the same in our records.

Universal Capital Securities Pvt. Ltd.

Unit : Mangalam Organics Limited

21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093. Contact Nos. (022) 28207203-05 Email : info@unisec.in

Keeping in view of Green Initiative of Ministry of Corporate Affairs Government of India (MCA), your company shall send the Annual Reports and other documents to its shareholders in electronic form at the e-mail address registered with the Company. You are therefore requested to provide your e-mail address to receive all future correspondence of the Company in Electronic Form and become a part of it to save a tree.

IMPORTANT NOTE - CESSATION OF PHYSICAL TRANSFER

As per amendment made by SEBI notification dated 8th June, 2018 in the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, the transfer of shares shall be processed in the dematerialized form only. It means transfer request in physical mode is discontinued.

These regulations shall come into force within 180 days from the date of notification i.e. w.e.f. 5th December, 2018. In accordance to the said the regulations and in your own interest, it is advisable that you should convert your physical shares into dematerialized form at the earliest.

Yours truly,

For **M/s. Mangalam Organics Limited**

Sd/-

Ankur Gala

Company Secretary

FORM FOR FURNISHING PAN AND BANK DETAILS

To,
Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (E), Mumbai 400093.

Unit: Mangalam Organics Limited

Dear Sir/Madam,

I/We refer to your letter regarding SEBI Circular No. SEBI/ HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018. I/we hereby furnish our PAN and Bank mandate details for update in your records. I/We is/are enclosing herewith:

- 1) ☐ Self-attested copies of PAN cards of all the holders,
- 2) ☐ Original cancelled cheque leaf bearing name of the Sole /First holder

OR

Photo copy of bank pass book / statement having details of Account number, Name of the shareholder, IFSC Code duly attested by Bank.

Folio No.			
Contact No. (Tel No. with STD Code)		Mobile No.	
E-Mail id			

	Name	Signature
First Holder :		
Joint Holder 1 :		
Joint Holder 2 :		

Date:

Place:

NB: The above details will be updated only if the documents / information found in order / valid.

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क्या आप शुद्ध कपूर से पूजा करते हैं ?

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 ।

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।



100% शुद्ध कपूर
PURE CAMPHOR

Tel: +91 22 49204089 | Email: info@mangalamorganics.com

BOOK – POST

To,

If undelivered please return to:



MANGALAM ORGANICS LIMITED

812, Tulsiani Chambers,
Nariman Point,
Mumbai – 400 021.
India.