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**BOARD OF DIRECTORS**

Shri Kamalkumar Dujodwala	Chairman
Shri Pannkaj Dujodwala	Managing Director
Shri Rajkumar Saraf	Director
Shri Rajkumar Jatia	Director
Shri Sharad Saraf	Director
Mrs. Anita Shriya	Director
Shri Narendra Goenka (Resigned w.e.f 04/10/2014)	Director

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

**Company Secretary** Mr. Ankur Gala

**AUDITORS :**

M/s. R. Kabra & Co  
Chartered Accountants  
515, Tulsiani Chambers,  
Nariman Point,  
Mumbai-400 021

**Cost Auditor** Mr. Naresh Jethwani

**BANKERS :**

The Saraswat Co-operative Bank Ltd (Scheduled Bank)  
SME Nariman Point, A wing, 1<sup>st</sup> Floor, Mittal Court,  
Mumbai – 400 021

**AUDIT COMMITTEE:**

Shri Sharad Saraf  
Shri Rajkumar Saraf  
Shri 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  
District Raigad, Maharashtra.  
Website : [www.mangalamorganics.com](http://www.mangalamorganics.com)

**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**

**Notice is hereby given** that 33<sup>rd</sup> Annual General Meeting of the members of **MANGALAM ORGANICS LIMITED** (the "Company") will be held at the Registered Office of the Company at Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli, Dist Raigad (Maharashtra) on 24<sup>th</sup> September, 2015 (Thursday) at 11.00 a.m. to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2015 together with Balance Sheet, Director's Report & the Auditors' Report thereon.
2. To appoint a Director in the place of Mr. Rajkumar Saraf, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in the place of Mr. Sharad Saraf, who retires by rotation and being eligible offers, himself for re-appointment
4. To consider and, if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139 and Section 142 with other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. R Kabra & Company, Chartered Accountants (Registration No.104502W), be and is hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### **Special Business :**

5. To consider and if thought fit to approve with or without modification(s) the following resolution as an ordinary Resolution :

**"RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and Companies (Cost Records and Audit ) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), payment of Remuneration of Rs. 50000/- (Rupees Fifty Thousand) including reimbursement of out of pocket expenses incurred for the purpose of Audit) to Mr. Naresh Jethwani, Cost Accountant (Membership No.18869) for conducting the Audit of Cost Records relating to the Chemical Products as manufactured by the Company for the year 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 be and is hereby approved and ratified.

6. To consider and if thought fit to approve with or without modification(s) the following resolution as a Special Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed there under, approval of the Company be and is hereby accorded to the reappointment of Shri. Pannkaj Dujodwala (holding DIN 00546353) as the Managing Director of the Company for a period of Five years with effect from 13<sup>th</sup> August, 2015 on the terms

and conditions and remuneration as set out in the draft letter of appointment laid before the meeting, with the liberty and powers to the Board of Directors to increase alter and vary the salary commission and perquisites and other terms in such manner, as the Board in its absolute discretion deems fit and is acceptable to Shri Pannkaj Dujodwala within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications, re-enactments thereof in force from time to time in this behalf.

7. To consider and if thought fit, approve with or without modification(s) the following resolution as a Special Resolution :

**“RESOLVED THAT** Mrs. Anita Shriya (holding Din 06992663) who was appointed as an Additional Director of the Company by the Board with effect from 9<sup>th</sup> October, 2014 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office as Independent Director of the Company to hold office for Five consecutive years.”

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

**“RESOLVED that** in supersession of the resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 17.09.2010 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 1000 crore.”

**“RESOLVED FURTHER** that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

For and on behalf of the Board of Directors  
Sd/-  
Kamalkumar Dujodwala  
Chairman

Place : **Mumbai**  
Date : **14.08.2015**

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## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF. A proxy need not be a member of the Company. The instrument appointing the Proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of the AGM. Proxies submitted on behalf of the companies etc must be supported by an appropriate resolution / authority as applicable. Pursuant to the provision of the Section 105 of the Companies Act, 2013 a person shall not act as proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Shareholders are requested to bring their copy of Annual Report to the meeting.
3. Members / Proxies should fill the attendance slip for attending the meeting
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting
6. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at Registered office of the Company on all working days except on Saturdays and Sundays upto the date of Annual General Meeting
7. The Register of Members and Share Transfer Books of the Company will be closed from 18<sup>th</sup> September, 2015 to 24<sup>th</sup> September, 2015 (both days inclusive).
8. The members are requested to :
  - a. Intimate to the Company's Registrar and Share Transfer Agents M/s. Universal Securities (India) Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / detail etc. at an early date.
  - b. Quote ledger folio Numbers / DP identity and Client Identity Numbers in all their correspondences;
  - c. Approach the Company for consolidation of folios if shareholdings are under multiple folios
  - d. Get the shares transferred in joint names if they are held in single name to avoid inconvenience.
  - e. Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting.
  - f. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least Seven days before the date of the Meeting to enable the information required to be made available at the Meeting to the best extent possible.

9. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
10. Consequent upon the introduction of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their requests in Form SH 13 ( which will be made available on request) to the Registrar and Transfer Agents, M/s. Universal Securities (India) Private Limited .
11. The Equity Shares of the Company are listed on the BSE. The Listing fee has been paid up to date.
12. Members who have not registered their e-mail addresses so far are required to register their e-mail address for receiving all communications including Annual Report, Notices etc from the Company electronically.
13. Information for Shareholders relating to E-voting are as under :
  - (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
  - (ii) The members who have cast their vote by e-voting may also attend the meeting but shall not be entitled to cast their vote again.
  - (iii) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
  - (iv) The Board of Directors of the Company has appointed Mr. Yogesh Sharma, Practicing Company Secretary Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
14. The instructions for shareholders voting electronically are as under :
  - (i) The Voting period begins on Monday, 21<sup>st</sup> September, 2015 (9.00 am IST) and ends on Wednesday, 23<sup>rd</sup> September, 2015 (5.00 pm IST). During this period shareholder' of the Company holding shares either in physical form or in dematerialized form as on the cut off date (record date) of 17th August, 2015 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](http://www.evotingindia.com)
  - (iii) Click on Shareholders.
  - (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 has logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)
DOB	Enter the Date of Birth as recorded in your Demat account or in the Company records for the said Demat account or folio in dd/mm/yyyy format.

- (viii) After entering these details appropriately , click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Mangalam Organics Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the Image Verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Note for Non- Individual Shareholders and Custodians :-
- \* Non – individual shareholders (i.e.other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - \* A scanned copy of the Registration Form bearing the Stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - \* After receiving the login details a compliance user should be created using the admin login and

password. The Compliance user would be able to link the accounts for which they wish to vote.

- \* The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), and on approval of the accounts they would be able to cast their vote.
  - \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) The Scrutinizer shall within a period of not exceeding 3 (three) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company
- (xx) The Result shall be declared on or after the AGM of the Company. The Results declared alongwith Scrutinizer's Report shall be placed on the Company's website [www.mangalamorganics.com](http://www.mangalamorganics.com) and on the website of CDSL [www.evotingindia.co.in](http://www.evotingindia.co.in) within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited, where the shares of the Company are listed.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQ") and e-voting manual available at [www.evoting.com](http://www.evoting.com), under held section or write an email to [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)

#### **ANNEXURE TO NOTICE**

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

In conformity with the provisions of section 102 of the Companies, 2013 the following Explanatory statement sets out all material facts in respect of item numbers 5 to 7.

##### **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 manufactured by the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of Shri. Naresh Jethwani, as the Cost Auditor for Cost Audit of the Company for the year 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 on a remuneration of Rs.50000/- (Rupees Fifty Thousand only) inclusive of reimbursement of out of pocket expenses 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 members of the Company at their 30<sup>th</sup> Annual General Meeting held on 19.09.2013 accorded their approval for the terms of appointment of Shri Pannkaj Dujodwala as Managing Director, for a period of Three years upto 14<sup>th</sup> October, 2015. Accordingly the present term of his office as Managing Director will be expiring on 14/10/2015. The Board of Directors in their meeting held on 06-01-2015 approved the reappointment of Pannkaj Dujodwala for a period of Five years i.e. 15-10-2015 to 14-10-2020, subject to the approval of shareholders at the Annual General Meeting.

None of the Directors except Shri Pannkaj Dujodwala himself and Shri Kamal Dujodwala, brother of Shri Pannkaj Dujodwala are interested or concerned in the proposed resolution.

**In respect of Item No. 7**

The Board of Directors in their meeting dated 4<sup>th</sup> October, 2014 appointed Ms. Anita Shriya as an additional Director in the category of Non Executive Independent Director of the Company.

Ms. Anita Shriya does not hold any Directorship and membership of any committees of the Board of Directors of any other Company except Mangalam Organics Limited.

Ms. Anita Shriya does not hold by herself or for any other person on a beneficial basis any shares in the company. By mistake Ms. Anita Shriya has been appointed as Director instead of Additional Director. The matter is put up for the approval of shareholders for the regularization of appointment of Ms. Anita Shriya as the Director of the Company.

As per Section 161(1) of the Companies Act, 2013 Mrs. Anita Shriya holds office upto the date of the ensuing Annual General meeting of the Company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Ms. Anita Shriya is proposed to be appointed as an independent Director for a term of five consecutive years upto the conclusion of 38<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019. A notice has been received from a member proposing Ms. Anita Shriya as a candidate for the office of Director of the Company.

In our opinion Ms. Anita Shriya fulfills the conditions specified in the Companies Act, 2013 and the rules made there under for her appointment as an independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Anita Shriya as an independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered office of the Company during normal business hours on any working day excluding Saturdays and Sundays.

Accordingly, the Board recommends the resolution in relation to appointment of Ms. Anita Shriya as an independent Director for the approval by the shareholders of the Company.

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

**In respect of Item No. 8**

At the Annual General Meeting of the Company held on 17<sup>th</sup> September, 2010, the Members had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956





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approved the borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 1000 crore at any point of time;. Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014. The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively. The Directors recommend the Resolutions at Item Nos. 8 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala is concerned or interested in the passing of the Resolutions at Item No. 8.

## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting their 33rd Annual Report, together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2015.

**FINANCIAL RESULT** : The summarized financial results of the company for the year ended 31<sup>st</sup> March, 2015 are presented below :

	2014-2015 Rupees in Lacs	2013-2014 Rupees in Lacs
Gross Sales including other Income	26650.73	25384.34
Add: Excise Duty Refund	0.00	0.00
Gross Profit before interest, Depreciation and Taxation	1882.69	1973.38
Interest	581.12	789.94
Depreciation	616.99	467.63
Provision for Taxation	230.00	215.00
Less: MAT Credit	0.00	0.00
Provision for deferred taxation	34.47	22.41
Tax Adjustment of earlier year	0.00	0.00
Net Profit for the year	420.12	478.40
Surplus brought forward from previous year	3167.40	2689.00
Balance Available for Appropriation	3310.31	3167.40
Appropriations		
a) General Reserve	-	-
b) Dividend	-	-
c) Dividend Tax	-	-
Balance carried forward to Balance Sheet	3310.31	3167.40

**DIVIDEND:**

With a view to conserve the resources in long run, your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March, 2015.

**TRANSFER TO RESERVE :**

Your Company proposes to transfer Rs. Nil Lacs to General Reserves out of the amount available for appropriations during the financial year 2014-2015 (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 allied products, Terpene Chemicals and Synthetics Resins at its Units located at Kumbhivali Village, Taluka Kahalapur, Khopoli, District Raigad, Maharashtra.

**DIRECTORS**

Mr. Narendra Goenka, one of the independent Director of the Company has resigned from the directorship of the Company due to his preoccupied schedule.



The Board of Directors in their meeting dated 4<sup>th</sup> October, 2014 appointed Mrs. Anita Shriya as an Additional Director in the category of Non Executive Independent Director of the Company. Mrs. Anita Shriya will hold office upto the date of the ensuing Annual General meeting of the Company and is eligible for re-appointment. Your Directors recommend her re-appointment as a regular independent Director for a term of Five consecutive years, Details of the proposal for appointment of Mrs. Anita Shriya are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 in the Notice of the 33<sup>rd</sup> Annual General Meeting.

At the Annual General Meeting (AGM) of the Company held on 19<sup>th</sup> September, 2014, the members of the Company have appointed Mr. Rajkumar Saraf, Mr. Rajkumar Jatia, Mr. Sharad Saraf as independent Directors in terms of the Companies Act, 2013 for a term of 5 years effective from 19<sup>th</sup> September, 2014.

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreements.

In accordance with provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Rajkumar Saraf and Mr. Sharad Saraf retires by rotation at the ensuing AGM and being eligible offers themselves for re-appointment as Director.

#### **MEETINGS**

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

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

#### **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee approved a policy for selection, appointment and remuneration of Directors and Senior Management Personnel.

#### **AUDIT COMMITTEE**

The details of the Audit Committee and its meeting during the financial year 2014-2015 forms part of the Corporate Governance Report.

#### **BOARD EVALUATION**

Pursuant to the Provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

#### **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.

#### **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) In the preparation of the annual financial statements for the year ended March, 2015 the applicable accounting standards have been followed.

- b) Appropriate accounting policies have been selected, applied consistently and judgement 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 31st, 2015 and of the profit of the Company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The annual financial statements have been prepared on a going concern basis.
- e) Proper internal financial controls were in place and the financial controls were adequate and operating effectively.
- f) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **DEPOSITS**

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

#### **STATUTORY AUDITORS**

M/s. R. Kabra & Company, Chartered Accountants (Registration No. 104502W) were appointed as statutory Auditors of the Company at the last Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company. They are eligible to continue as statutory Auditors at the ensuing Annual General Meeting. Your Directors recommend their re-appointment as statutory auditors at the ensuing Annual General Meeting for a period of Three years subject to the approval of shareholders at every Annual General Meeting of the Company.

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

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

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

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the period under review, the Company had not entered into any material transaction with any of its related parties. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 33 of Financial Statements forming part of the Annual Report.

All related party transactions are negotiated on an arms length basis and are intended to further the Company's interest.

#### **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. The transaction policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, key managerial personnel and other employees

The Board shall have minimum 3 and maximum 12 Directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a Director on the Board. The Company shall have such persons on the Board who complies with the requirements of the Companies Act, 2013, Provisions of the Listing Agreement, Memorandum of Association and Articles of Association of the Company and all other statutory provisions and guidelines as may be applicable from time to time. Composition of the Board shall be in compliance with the requirements of Clause 49 of the Listing Agreement of Stock Exchange. The Independent Directors are paid only sitting fees. The Managing Director and Chairman are paid the remuneration as approved by the Shareholders but not paid any sitting fees. All persons who are Directors/ KMPs, members of senior management and all other employees shall abide by the Code of Conduct. Directors / KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience etc. in their respective fields.

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

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

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

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

For the year ended 31<sup>st</sup> March, 2015, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations, wherein controls are in place and operating effectively and no material weaknesses exists. The Company has a process in place to continuously monitor the existing controls and identify gaps if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

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

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

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

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

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

An extract of the Annual Return as of 31<sup>st</sup> March, 2015 pursuant to the Sub-Section (3) of Section 92 of the Companies Act, 2013 and forming part of the report is attached separately as Annexure-2.



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**A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

1. Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft parameterized feedback form for evaluation of the Board and independent Director
2. Independent Directors at a meeting without anyone from the non-independent Directors and Management, considered / evaluated the Board's performance, performance of the Chairman and other non-independent Directors.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent (without participation of the relevant Director)

**THE DETAILS OF FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS HAVE BEEN DISCLOSED ON WEBSITE OF THE COMPANY AND ARE AVAILABLE AT THE FOLLOWING LINK :**

The familiarization programme for Independent Directors is hosted on the Company's website at [www.mangalamorganics.com](http://www.mangalamorganics.com)

**SECRETARIAL AUDIT REPORT**

Pursuant to the requirements of the Companies Act, 2013 the Company has appointed Mr. Yogesh Sharma Practicing Company Secretary (COP 12366) as the Secretarial Auditor for financial year 2014-2015 whose report of Secretarial Audit is attached separately to this report as Annexure.

**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.

**EMPLOYEES**

The relation between the Management 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**

A report on the Corporate Governance alongwith the certificate from the statutory auditors is separately given in the annual report.

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

Sd/-

**Kamalkumar Dujodwala  
Chairman**

Place : **Mumbai**

Date : **14.08.2015**

## ANNEXURE - 1 TO THE DIRECTOR'S REPORT

### Form 'A'

**Power and Fuel Consumption:**

	Particulars	2014-15	2013-14
1.	Electricity Purchased		
	Units (Kwh/Lakh)	53.45	48.80
	Total Amounts (Rs./Lakh)	367.47	324.85
	Rate /Unit (Rs.)	6.88	6.66
2.	Furnace Oil / Light Diesel Oil		
	Quantity (Ltrs/Lakh)	1.57	2.26
	Total Cost (Rs./Lakh)	84.86	114.67
	Average Rate (Rs./Lakh)	54.05	50.74
3.	Coal		
	Quantity (Kgs.)	13071685	13368970
	Total Cost (Rs./Lakh)	932.67	737.72
	Average Rate (Rs. / Kg.)	7.14	5.52

### **Form 'B'**

Form for disclosure of particulars with respect to:

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

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

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

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

- a) Increase in product range, augmenting extent potential and marketing
- b) Product consistency for remaining universally competitive.
- c) Improvements in process control, conservation of energy resulting in cost reduction.

**3) Future plan of action.**

**Technology Absorption:**

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

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

## ANNEXURE 2 TO THE DIRECTORS REPORT

### FORM MGT-9 – EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2015

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

#### I. Registration and other details :

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

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

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1.	Camphor & Allied Products	-	71%
2.	Synthetic Resin & P.F. Resins	-	29%

#### 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.				

#### 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 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	2243362	--	2243362	24.78	2243362	--	2243362	24.78	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	2001849	--	2001849	22.11	2001849	--	2001849	22.11	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A)	4245211	--	4245211	46.89	4245211	--	4245211	46.89	--
<b>B) Public Shareholding</b>									
<b>(2) Foreign</b>									
1) Institution									
a) Mutual Fund	1900	--	1900	0.02	1900	--	1900	0.02	--
b) Banks /FI	600	--	600	0.01	600	--	600	0.01	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt	--	--	--	--	--	--	--	--	--
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIS	--	--	--	--	--	--	--	--	--
h) Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	2500	--	2500	0.03	2500	--	2500	0.03	--
(2) Non Institutions									
a) Bodies Corporate	1022892	6200	1029092	11.37	698153	6200	704353	7.78	--
b) Individuals									
I. Individual shareholders holding nominal share capital upto Rs. 1 lakh	1504090	804050	2308140	25.50	1657975	789950	2447925	27.04	--
II. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1194678	--	1194678	13.20	1354695	--	1354695	14.96	--
Others (specify)									
i. Qualified foreign Investors	--	--	--	--	--	--	--	--	--
ii. Clearing Members	7870	--	7870	0.09	39192	--	39192	0.43	--
iii. Trust	0	0	0	0	0	0	0	0	--
iv. NRI / OCB	61889	203300	265189	2.93	61304	197500	258804	2.86	--
(c) Shares held by Custodians and against which Depository Receipts have been issued									
i. Promoters	--	--	--	--	--	--	--	--	--
ii. Public	--	--	--	--	--	--	--	--	--
Grand Total (A+ B+C)	8036630	1016050	9052680	100	8056530	996150	9052680	--	--

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% of change during the year
		No. of shares	% of shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of shares of the Company	% of shares pledged / encumbered to total shares	
1.	AKSHAY DUJODWALA	351374	3.88	--	351374	3.88	--	--
2.	ALKA DUJODWALA	578790	6.39	--	578790	6.39	--	--
3.	DUJODWALA EXPORT PVT LTD	172432	1.90	--	172432	1.90	--	--
4.	INDO EURO SECURITIES LTD	1829417	20.21	--	1829417	20.21	--	--
5.	MANISHA DUJODWALA	853250	9.43	--	853250	9.43	--	--
6.	PANKAJ RAMGOPAL DUJODWALA HUF	172432	1.90	--	172432	1.90	--	--
7.	RAMGOPAL KAMALKUMAR HUF	156216	1.73	--	156216	1.73	--	--
8.	VASUDHA DUJODWALA	131300	1.45	--	131300	1.45	--	--
	<b>Total</b>	<b>4245211</b>	<b>46.89</b>	--	<b>4245211</b>	<b>46.89</b>	--	--

iii) Change in Promoter's shareholding

There is no change in the total shareholding of promoters between 01/04/2014 and 31/03/2015

iv.) Shareholding pattern of top Five shareholders (other than Director and Promotes )

Sr. No.	For Each of the Top 5 Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)		Shareholding at the end of the year (as on 31.03.2015)	
		No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
1.	SANGEETHA S	136330	1.51	136330	1.51
2.	VIJAY RANI SARAF	420900	4.65	420900	4.65
3.	J B C INTERNATIONAL PVT LTD	414500	4.58	414500	4.58
4.	VENTURA SECURITIES LTD	360000	3.98	0	0
5.	JAGDISH AMRITLAL SHAH	95745	1.06	95745	1.06

v) Indebtedness

The Company has availed the loan from Saraswat Co-operative Bank

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	12,00,000	12,00,000
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17 (3) Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- As % of profit	-	-
	- Others, specify	-	-
5.	Others please specify	-	-
	Total (a)	12,00,000	12,00,000
	Ceiling as per Schedule V o the Companies Act, 2013	-	-

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Names of Director					Total Amount
		Mr. Rajkumar Saraf	Mr. Rajkumar Jatia	Sharad Saraf	Anita Shriya	*Narendra Goenka	
1.	Fees for attending Board / Committee Meeting	5000	5000	5000	1000	3000	19000
2.	Commission	-	-	-	-	-	-
3.	Others, please spcify	-	-	-	-	-	-
Total		<b>5000</b>	<b>5000</b>	<b>5000</b>	<b>1000</b>	<b>3000</b>	<b>19000</b>

\* Mr. Narendra Goenka has resigned from the company wef 04/10/2014

\* Ms. Anita Shriya has joined the company wef 9/10/2014

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager /Whole time Director.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Shrirang Rajule	Mr. Ankur Gala	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	521616	180000	701616
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-	
	(c) Profits in lieu of salary under Section 17 (3) Income Tax Act, 1961	-	-	
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission			
	- As % of profit	-	-	
	- Others, specify	-	-	
5.	Others please specify	-	-	
	Total (a)	521616	180000	701616
	Ceiling as per Schedule V o the Companies Act, 2013			

VII. Penalties / Punishment / Compounding of Offences :

There were no penalties, Punishments, compounding of offences for the year ending March 31, 2015.



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**ANNEXURE - 3**

**Form No. MR-3**

**SECRETARIAL AUDIT**

**REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2015 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- (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, 1992;
  - (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit period)**
- (vi) On examination of the relevant documents and records on test-check basis and based on representation letter received from the management of the company, the Company has complied with the following laws applicable specifically to the Company:
  - \* Factories Act 1948
  - \* Acts under Prevention and Control of Pollution.
  - \* Acts prescribed under Environmental Protection.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during the audit period)**
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges (BSE & NSE);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following:

*The company has informed me that it is in process of compilation of proper records showing full particulars, including quantitative details and situation of fixed assets since it is not as per requirements prescribed under Companies act, 2013.*

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 there has been no specific event / action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Mumbai

Sd/-

Date : 15th June, 2015

YOGESH M. SHARMA

ACS: 33235 C.P. No. 12366

## 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 contents 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 is 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.

YOGESH M. SHARMA

ACS: 33235 C.P. No. 12366

Place : Mumbai

Date : 15th June, 2015

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency in all dealings, effective control and management of organization, investor friendly attitudes towards shareholders has been the basic objective of the corporate governance of the company

### 2 BOARD OF DIRECTORS

Composition : The Board of Directors as on 31<sup>st</sup> March, 2015 consists of 6 Directors, comprising of 4 Non Executive Directors and 1 Executive Director

The Composition of the Board of Directors are as given below :

Name of the Director	Category of Director	No of other Directorship held at other Companies	Committee / Membership/ Chairmanship of Board Committees in other Companies	Relationship with other Director
Mr. Kamalkumar Dujodwala	Promoter-Executive	12	1	Brother of Mr. Pannkaj Dujodwala
Mr. Pannkaj Dujodwala	Promoter – Executive	4	Nil	Brother of Mr. Kamalkumar Dujodwala
Mr. Rajkumar Saraf	Independent	11	7	NA
Mr. Rajkumar Jatia	Independent	6	Nil	NA
Mr. Sharad Saraf	Independent	11	Nil	NA
Mrs. Anita Shriya	Independent	2	Nil	NA

\* Mr. Narendra Goenka has resigned from the Company wef 04.10.2014

\*\* Mrs. Anita Shriya has joined the company wef 09.10.2014

None of the Directors of the Company is a member in more than 10 Committees and Chairman of more than 5 Committees across all companies in which he / she is a director.

Board Meeting and Attendance : 5 Board Meetings were held during the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 on the following dates : 9<sup>th</sup> May, 2014, 4<sup>th</sup> July, 2014, 23<sup>rd</sup> September, 2014, 4<sup>th</sup> October, 2014 and 6<sup>th</sup> January, 2015 and the Director's attendance at the Board Meetings during the period and at last Annual General Meeting are given below :

Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Kamalkumar Dujodwala	5	Yes
Mr. Pannkaj Dujodwala	5	Yes
Mr. Rajkumar Saraf	5	No
Mr. Rajkumar Jatia	5	No
Mr. Sharad Saraf	5	No
*Mr. Narendra Goenka	3	No
Mrs. Anita Shriya	1	No

\* Mr. Narendra Goenka has resigned from the Company wef 04.10.2014





Details of Directors seeking Appointment / Reappointment at the forthcoming Annual general Meeting (in pursuance of Clause 49 of the Listing Agreement )

1.	Name of the Director	Shri Rajkumar Saraf	Shri Sharad Saraf
2.	Date of Birth	07.10.1945	05.08.1947
3.	Date of Appointment	25.05.2010	29.01.2011
4.	Nature of expertise in specific functional areas	Industrialist in Hardware and Software	Observer and activist representing the different industry groups
5.	Qualifications	B.com / LLB	Graduate (IIT)
6.	Directorships held in other companies (excluding foreign companies)	11	14
7.	No. of shares held (As on 31.03.2015)	2500	Nil

\* Mr. Narendra Goenka has resigned from the Company wef 04.10.2014

#### **Code of Conduct :**

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management have affirmed their compliance with the code of conduct. A declaration to this effect, signed by Managing Director is contained in the Annual Report.

#### **I. COMMITTEES OF THE BOARD**

##### **a. Audit Committee**

The Audit Committee was originally constituted by the Board of Directors at its meeting held on the following dates 9<sup>th</sup> May, 2014, 4<sup>th</sup> July, 2014, 4<sup>th</sup> October, 2014 and 6<sup>th</sup> January, 2015. The members of the Committee are Mr. Sharad Saraf (Chairman), Mr. Rajkumar Saraf and Mr. Kamalkumar Dujodwala. The statutory Auditors, Internal Auditors, Chief Financial Officer and Company Secretary also attended the meeting of the Audit Committee. The attendance of members was as under :

Members	Meetings held	Meetings Attended
Mr. Sharad Saraf	4	4
Mr. Rajkumar Saraf	4	4
Mr. Kamalkumar Dujodwala	4	4

The Company oversees Company's financial process, Internal Control System, scope of audit includes the observations of the auditors, reviewing quarterly, half yearly and yearly statements. Committee is authorized to select and recommend accounting policies, review reports of the Statutory and Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The terms of reference of the audit committee are in accordance with the items as specified in Clause 49 (II)(D) of the Listing Agreement, which inter alia includes the following :

1. To recommend appointment, remuneration (for statutory Audit and for other services rendered, if any) and the terms of appointment of Statutory Auditors of the Company and to review and monitor their Independence and performance and effectiveness of audit process.
2. To examine the financial statements (including quarterly financial statements ) and the Auditors report thereon and to discuss the same, if necessary, with the Statutory Auditors, the Management and Key

Managerial Personnel's, if necessary, and to ensure that the Company's financial reporting process and disclosure of financial information make the financial statements correct, sufficient and credible particularly with reference to :

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of section 134 of the Companies Act, 2013
  - b. Compliance with Listing and other legal requirements relating to financial statements
  - c. Qualification in the draft audit report
3. To recommend appointment, remuneration and the terms of Internal Auditors and to review performance and effectiveness of their audit and adequacy of Internal Control system.
  4. To approve the Related Party Transactions or any subsequent modifications thereof and to obtain profession advice, if necessary
  5. To scrutinize inter corporate loans and investments
  6. To consider, whenever necessary valuation of assets or undertaking of the Company
  7. To evaluate internal financial controls in consultation with the Statutory Auditors and the Internal Auditors if any.
  8. To evaluate the risk management systems, if any, prevailing in the Company and to review the findings if any of the Internal Auditors where there is suspected fraud or irregularity or failure of Internal Control system.
  9. To monitor end use of the funds (and other related matters) whenever raised through public offers.
  10. To evaluate the content and efficiency of the vigilance mechanism/whistle blower mechanism Prevailing in the company and to provide adequate safeguards against victimization.
  11. To look into the reasons for substantial defaults, if any in the payments to the depositors, debenture holders, shareholders and creditors
  12. To approve appointment of the CFO (a whole time Director or an Executive) after assessing the qualifications and experience of the Candidate.

**b. NOMINATION AND REMUNERATION COMMITTEE**

The members of the Committee are Shri Sharad saraf, Shri Rajkumar Saraf and Shri Kamalkumar Dujodwala. The meeting held on 6<sup>th</sup> January, 2015 to consider the appointment and remuneration of Mr. Pannkaj Dujodwala.

The term of reference of the Nomination and Remuneration Committee are as follows :

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board
3. Devising a policy of Board diversity
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**REMUNERATION POLICY :**

The Executive Directors are getting the salary of Rs. 100000/- p.m. without any perquisites or any other benefits.

The non executive directors are not entitled to any remuneration from the Company other than sitting fees.

Remuneration paid to Directors during 2014-2015.

The Remuneration paid to Mr. Kamalkumar Dujodwala as a Chairman of the Company is as under :

Name	Salary (Rs.)	Perquisites and Allowances	Commission	Total
Mr. Kamalkumar Dujodwala	12,00,000	Nil	Nil	12,00,000

The remuneration paid to Mr. Pannkaj Dujodwala as a Managing Director of Company for the period 2014-2015 is as under :

Name	Salary (Rs.)	Perquisites and Allowances	Commission	Total
Mr. Pannkaj Dujodwala	12,00,000	Nil	Nil	12,00,000

#### **REMUNERATION TO NON-EXECUTIVE DIRECTORS**

Non-Executive Directors are not paid remuneration in any form whether by way of commission or otherwise. They are paid only sitting fees for each meeting attended by them. The fees paid to Non- Executive Directors for the year ended 31<sup>st</sup> March, 2015 is as under :

Director's Name	Sitting Fees (Rs.)			Total
	Board Meetings	Audit Committee Meetings	Nomination and Remuneration Committee	
Mr. Rajkumar Saraf	5	4	1	5000
Mr. Rajkumar Jatia	5	-	-	5000
Mr. Sharad Saraf	5	4	1	5000
Mr. Narendra Goenka*	3	-	-	3000
Ms. Anita Shriya**	1	-	-	1000

\*Mr. Narendra Goenka has resigned on 04.10.2014

\*\*Ms. Anita Shriya has joined on 09.10.2014

#### **c. STAKEHOLDER'S RELATIONSHIP COMMITTEE**

The Committee consist of three members namely Mr. Sharad Saraf, Shri Rajkumar Saraf and Shri Kamalkumar Dujodwala. The Committee held periodic meetings at regular intervals during the year 2014-2015.

The functions and powers of the Stakeholder's Relationship Committee include considering and resolving the grievance of security holders of the Company.

The Company has designed an email id "investor@mangalamorganics.com" exclusively for the purpose of registering complaints by investors electronically. This email id is displayed on the company's website i.e. www.mangalamorganics.com.

None of the complaints / request / letters / queries, which were received from the shareholders, is pending and all have been attended to / resolved within the prescribed period.

Number of Investor Complaints received during the year : NIL

Number of Investor Complaints resolved during the year : NIL

Number of Pending Investor Complaints : NIL

The Investor's complaint / grievances received by the Company were immediately escalated to the top management and steps are taken to resolve the same immediately..

**d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Committee was constituted

**e. RISK MANAGEMENT COMMITTEE**

The Committee was constituted on 6<sup>th</sup> January, 2015 and members of the Committee are Mr. Sharad Saraf, Mr. Rajkumar Saraf and Shri Kamalkumar Dujodwala .

The Committee held one meeting during the year 2014-2015 on 6<sup>th</sup> January, 2015 and all the members were present.

**f. INTERNAL COMPLAINTS COMMITTEE**

The Committee was constituted at the whole group level on 6<sup>th</sup> January, 2015 as per the requirements of the Sexual Harassment of Women at the Workplace (Prevention & Redressal) Act, 2013 and members of the Committee are Ms. Anita Shriya (Chairman), Shri Rajkumar Saraf and Shri Kamalkumar Dujodwala as members.

The Committee held no meetings during the year 2014-2015 as no complaints were received.

Meeting	32 <sup>nd</sup> Annual General Meeting	31 <sup>st</sup> Annual General Meeting	30 <sup>th</sup> Annual General Meeting
Date	19.09.2014	19.09.2013	27.09.2012
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Special Resolution	Yes	Yes	Yes
Venue	Kumbhivali Village Savroli Kharpada Road, Taluka- Khalapur Khopoli-410 202 District Raigad Maharashtra.	Kumbhivali Village Savroli Kharpada Road, Taluka- Khalapur Khopoli-410 202 District Raigad Maharashtra.	Kumbhivali Village Savroli Kharpada Road, Taluka- Khalapur Khopoli-410 202 District Raigad Maharashtra.

None of the special Resolution/s passed in the last three Annual General Meeting were passed by Postal Ballot. No resolution requiring a postal ballot is being proposed at the ensuing Annual General meeting.

**g. Unclaimed Dividend**

In view of amended Section 125 of the Companies Act, 2013, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 any money transferred by the Company to the Unpaid Dividend Account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund (the Fund) set up by the Central Government. No Claims shall lie thereafter against the fund or the Company in respect of such amounts transferred. Shareholders are therefore requested to verify their records and send claims, if any, before the respective amounts become due for transfer to the fund. The details of unclaimed divided are as under :

Year	No.of shareholders	Amount (Rs.)	Due date of transfer to Investor Education and Protection Fund (IEPF)
2009-2010	3517	536501	September, 2016
2010-2011	3615	547344	September, 2017

iv) Subsidiary Company

The Company does not have any subsidiary Company

v) Disclosures

A. Disclosure of materially significant related Party transactions

The Company has not entered into any materially significant transactions with its promoters, directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large.

A. summary of related party transactions is given elsewhere in the Annual Report

B. Disclosure of Accounting treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India

C. Board Disclosures – Risk Management

The risk associated with the business have been stated in the Management Discussion and Analysis report. The risk assessment and control procedures are reviewed at periodic intervals by the Risk Management Committee.

D. Proceeds from public issues, right issues, preferential issues etc.

No money has been raised by way of public issue, right issue or preferential issue.

E. Details of Non-compliance and instances of penalties

The company has complied with the requirements of the regulatory authorities on matters related to capital markets and no strictures of whatsoever nature have been imposed against the Company by Bombay Stock Exchange or SEBI or any other statutory authority during the last three years.

F. Details of compliance with mandatory requirements and adoption of non-mandatory requirements :

Clause 49 of the Listing Agreements requires the company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate to the directors' report, which is sent annually to all the shareholders of the company. The Company has obtained a certificate from its auditors to this effect and the same is given as an annexure to the Directors' report.

The Clause further states that the non-mandatory requirements may be implemented as per the discretion of the Company. However the disclosures of compliance with mandatory requirements shall be made on need basis.

VI) Means of Communication

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

VII) General shareholder Information

<b>Annual General Meeting</b>	24th September, 2015 (Thursday) at 11.00 Kumbhivali Village, Savroli Kharpada Road, Tal: Khalapur, Khopoli, Dist: Raigad, (Maharashtra).
<b>Financial Year</b> The Financial Calendar Financial Reporting for	1 <sup>st</sup> April, 2015- 31 <sup>st</sup> March, 2016 1. Quarter ending 30 <sup>th</sup> June, 2015 – Before 15 <sup>th</sup> August, 2015 2. Half year ending 30 <sup>th</sup> September, 2015- before 15 <sup>th</sup> November, 2015 3. Quarter ending 31 <sup>st</sup> December, 2015 – Before 15 <sup>th</sup> February, 2016 4. Quarter ending 31 <sup>st</sup> March, 2016 – Before 30 <sup>th</sup> May, 2016 (alongwith Audited Annual Results) Note : the above dates are indicative
<b>Date of Book Closure</b>	18-09-2015 to 24-09-2015
<b>Listing of Equity shares on stock exchange</b>	Bombay Stock Exchange (BSE)
<b>Stock Code (BSE)</b>	514418
<b>ISIN NO.</b>	INE370D01013
<b>CIN no.</b>	L24110MH1981PLC024742
<b>Register and Transfer Agent</b>	<b>Universal Capital Securities Private Ltd</b> 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 93. T:+91 (22) 2820 7203-05 / 2825 7641 Fax :T:+91 22 2820 7207 Website : <a href="http://www.unisec.in">www.unisec.in</a>
Dematerialisation of shares and liquidity	<b>Shares held in Demat form as on 31<sup>st</sup> March, 2015</b> With NSDL : 7145925 With CDSL : 910625 Physical : 996150
Compliance Officer	Mr. Ankur Gala Company Secretary Mangalam Organics Limited 812/813, Tulsiani Chamber, Nariman Point, Mumbai- 21 Tel. No. 022-49204012 Fax No. 022-22841281 Email – <a href="mailto:rajeshmishra@mangalamorganics.com">rajeshmishra@mangalamorganics.com</a>
Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity	<b>NA</b>
Plant Locations	Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli – 410 202. District Raigad, Maharashtra
Address for correspondence	The shareholders may send their correspondence relating to transfer / dematerialization and other correspondence relating to shares of the Company to the Registrar and Transfer Agents of the Company. Shareholders holding shares of the Company in dematerialized form should address their correspondence to their respective Depository Participants. For any other queries correspondence at administrative Office address at 812/812, Tulsiani Chambers, Nariman Point, Mumbai 21 Designated email id for investor correspondence : <a href="mailto:investor@mangalamorganics.com">investor@mangalamorganics.com</a>
Stock Price Data	High, low Market price for Bombay stock Exchange during each month in the last Financial Year in comparison with BSE Sensex are as follows :



Market Price Date :

Month	High	Low	No of shares	Month	High	Low	No of shares
Apr 14	19.36	13.50	4,00,924	Oct 14	30.05	23.05	1,21,390
May 14	18.75	14.10	44,368	Nov 14	30.00	23.15	1,69,434
Jun 14	19.35	15.25	94,065	Dec 14	36.90	25.35	8,77,801
Jul 14	24.20	18.00	2,22,645	Jan 15	34.20	27.10	9,82,535
Aug 14	24.00	19.00	55,594	Feb 15	28.95	24.45	95,453
Sep 14	36.45	18.10	7,14,801	Mar 15	30.00	23.15	2,62,174

**Shareholding as of March 31, 2015**

DISTINCTIVE NUMBERS FROM 0000000001 TO 0009052680

Description	Shareholders	% to total	No. of share holding	% of shareholding to total	Shareholding in Rs.	% to total shareholding
UPTO - 500	10969	92.425	1505312	16.628	15053120	16.628
501 - 1000	464	3.910	369764	4.085	3697640	4.085
1001 - 2000	233	1.963	345080	3.812	3450800	3.812
2001 - 3000	51	0.430	134106	1.481	1341060	1.481
3001 - 4000	30	0.253	106367	1.175	1063670	1.175
4001 - 5000	34	0.286	157480	1.740	1574800	1.740
5001 - 10,000	35	0.295	247517	2.734	2475170	2.734
10,001 AND ABOVE	52	0.438	6187054	68.345	61870540	68.345
Total	11868	100.000	9052680	100.000	90526800	100.000

**TABLE - III**

Categories of equity shareholders as on March 31, 2015

Category	Number of equity shares held	Percentage of holding
Promoters	4245211	46.89
Mutual Funds/UTI	1900	0.02
Bank, Financial Institution,	600	0.01
Corporate Bodies	704353	7.78
NRI's/Foreign National / OCBs	258804	2.86
Indian Public and other	3841812	42.44
GRAND TOTAL	9052680	100.00



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## DECLARATION

I, Pannkaj Dujodwala, Managing Director of Mangalam Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code Of Conduct for the year ended 31<sup>st</sup> March, 2015.

For Mangalam Organics Limited  
Sd/-  
Pannkaj Dujodwala  
Managing Director

Place: Mumbai  
Dated: 15th June, 2015



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The members of  
Mangalam Organics Limited

We have examined all the relevant records of Mangalam Organics Limited (“the Company”) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended 31<sup>st</sup> March, 2015. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the 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 of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

For R. Kabra and Company  
Chartered Accountants  
R. L. KABRA  
Partner  
Membership No. 016216

Place: Mumbai  
Dated: 30th May, 2015





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## **AUDITORS' REPORT**

### **Independent Auditor's Report To the Members of Mangalam Organics Limited (Formerly known as Dujodwala Products Limited)**

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

We have audited the accompanying financial statements of Mangalam Organics Limited (Formerly known as Dujodwala Products Limited), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015, and a summary of significant accounting policies and other explanatory information.

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

#### **Auditor's Responsibility**

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies Accounts (Rules), 2014 ;
- e) On the basis of written representations received from the directors as on 31 March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to the best of our information and according to explanation given to us:
  1. The Company has disclosed the impact of pending litigation on its financial position in its financial statement- Refer Note 28 of the financial statements.
  2. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  3. During the current year, there is no amount which needs to be transferred to the Investor Education and Protection Fund by the Company.

**For R. Kabra & Co.**

Chartered Accountants  
(Registration No.104502W)

(Deepa Rathi)

Partner

M. Ship No.104808

FRN : 104502W

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2015**

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## **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in our report of even date)

Annexure referred to in Point 1 of the Auditors' Report of even date to the members of Mangalam Organics Limited for the year ended as on March 31, 2015.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- i) (a) *The company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.* However, the Company has informed us that it is in process of compilation.  
(b) *According to the information and explanation given to us, all the fixed assets have not been physically verified by the management during the year* though the company has verification on a random basis but we cannot comment on its reasonability and therefore further we cannot comment on the material discrepancies.
- ii) (a) The inventory has been physically verified during the year by the management and we have relied on the same. In our opinion the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and according to the information and explanation given to us, the company is maintaining proper record of inventory. As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book record and have been properly dealt with in the books of accounts.
- iii) In our opinion and according to the information and explanation given to us the company has not granted unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, **2013**.
- iv) In our opinion and according to the information and explanation given to us by the management, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and or the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v) In our opinion and according to the information and explanation given to us by the management, the company has not accepted any deposit from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- vi) The Central Government has prescribed maintenance of the cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of accounts & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, Excise duty, service tax, cess and other material statutory dues applicable to it have *generally* been regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of these were outstanding, at the year end, for a period of more than six months from the date

they became payable.

- (b) According to the information and explanation given to us, there are no dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute except as stated below:-

Name of the statute	Nature of dues	Amount of demand	Payment of demand	Period to which the amount relate	Forum where dispute is pending
The Central Excise Act, 1944	Interest	1,68,38,001	1,39,59,131	July 1999 to January 2004	Commissioner of Central Excise and Customs (Appeals)
The Central Excise Act, 1944	Excise duty	11,58,94,818	NIL	April 1999 to March 2004	High Court
The Central Excise Act, 1944	Excise Duty	1,01,92,867	NIL	April 2004 to November 2004	High Court
The Income Tax Act, 1961	Income Tax	6,97,536	6,97,536	A.Y. 2009-10	Income Tax Appellate Tribunal

- (c) According to the information and explanation given to us there were no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provision of the Companies Act 1956 (1 of 1956) and rules there under and therefore no amount has been transferred to such fund within the time.
- viii) The company has no accumulated losses and the company has not incurred any cash losses during the financial year covered under audit or in the immediately preceding financial year.
- ix) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. There are no Debenture holders of the company.
- x) On the basis of the information and explanation given to us and records produced before us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) In our opinion and according to the information and explanations given to us and on an overall examination of the records and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the company has, prima facie, applied the term loans for the purpose for which the loans were obtained.
- xii) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the current year, nor we have been informed of such case by the management.

**For R. Kabra & Co.**  
Chartered Accountants  
(Registration No.104502W)  
(Deepa Rathi)  
Partner  
M. Ship No.104808  
FRN : 104502W

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2015**



**BALANCE SHEET AS AT 31ST MARCH, 2015.**

	NOTE NO.	31-03-2015 (Rs.)	31-03-2014 (Rs.)
<b><u>EQUITY AND LIABILITIES:</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	90,526,800	90,374,800
Reserves and Surplus	2	434,045,578	419,602,316
		<b>524,572,378</b>	<b>509,977,116</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	92,671,065	29,960,668
Deferred Tax Liability (Net)	4	55,044,915	64,911,726
Long Term Provisions	5	10,334,493	8,342,692
		<b>158,050,473</b>	<b>103,215,086</b>
<b><u>CURRENT LIABILITIES</u></b>			
Short-Term Borrowings	6	579,624,180	494,544,162
Trade Payables	7	238,077,508	325,368,743
Other Current Liabilities	8	133,639,509	144,478,774
Short-Term Provisions	9	26,181,332	2,175,114
		<b>977,522,529</b>	<b>966,566,793</b>
	TOTAL	<b>1,660,145,380</b>	<b>1,579,758,995</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
(i) Tangible Assets	10	477,527,064	498,128,095
(ii) Capital work-in-progress		--	--
Non-Current Investments	11	25,000	25,000
Long Term Loans and Advances	12	3,454,288	6,107,398
		<b>481,006,352</b>	<b>504,260,493</b>
<b>CURRENT ASSETS</b>			
Inventories	13	653,472,966	546,537,264
Trade Receivables	14	217,208,550	341,458,315
Cash and Cash Equivalents	15	51,665,788	46,484,269
Short-term Loans and Advances	16	256,193,466	140,879,218
Other Current Assets	17	598,258	139,436
		<b>1,179,139,028</b>	<b>1,075,498,502</b>
	TOTAL	<b>1,660,145,380</b>	<b>1,579,758,995</b>

Significant accounting policies and notes to financial statements 1 to 43  
Notes referred above forms integral part of the balance sheet  
As per our report of even date attached

For **R. KABRA & Company**  
Chartered Accountants  
Deepa Rathi (PARTNER)  
Mem. No. 104808 / FRN. 104502W  
Place : Mumbai  
Dated: 30th May, 2015.

For and on behalf of Board of Directors

sd/-  
Kamalkumar Dujodwala  
Chairman

sd/-  
Pannkaj Dujodwala  
Managing Director



**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2015.**

	NOTE NO.	31-03-2015 (Rs.)	31-03-2014 (Rs.)
<b>INCOME</b>			
Revenue from operations	18	2,390,965,718	2,316,584,643
Other income	19	35,657,696	11,717,429
		<b>2,426,623,414</b>	<b>2,328,302,072</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	1,780,003,078	1,572,896,494
Trading purchase	21	183,757,916	229,354,285
Changes in inventories of Finished Goods & Work -in-Process	22	(98,134,637)	15,455,843
Employee benefit expenses	23	111,211,478	84,078,898
Finance costs	24	58,111,652	78,993,826
Depreciation and amortization expenses	10	61,699,282	46,763,141
Other expenses	25	261,516,428	229,178,696
		<b>2,358,165,198</b>	<b>2,256,721,183</b>
Profit before tax & Exceptional Items		68,458,216	71,580,889
Exceptional Items		--	--
<b>Profit before tax</b>		<b>68,458,216</b>	<b>71,580,889</b>
<b>TAX EXPENSE</b>			
Current tax (MAT)		23,000,000	21,500,000
Less: MAT credit		--	--
Net current tax		23,000,000	21,500,000
Deferred tax		3,446,594	2,240,937
<b>Profit for the period</b>		<b>42,011,622</b>	<b>47,839,952</b>
Earning per equity share [Nominal value of share Rs. 10 (31.03.2014 - Rs. 10)]			
Basic		4.64	5.28
Diluted		4.64	5.28

Significant accounting policies and notes to financial statements 1 to 43  
 Notes referred above forms integral part of the statement of profit and loss  
 As per our report of even date attached

For **R. KABRA & Company**  
 Chartered Accountants  
 Deepa Rathi (PARTNER)  
 Mem. No. 104808 / FRN. 104502W  
 Place : Mumbai  
 Dated: 30th May, 2015.

For and on behalf of Board of Directors

sd/-  
 Kamalkumar Dujodwala  
 Chairman

sd/-  
 Pannkaj Dujodwala  
 Managing Director



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

**31-03-2015 (Rs.)      31-03-2014 (Rs.)**

**NOTE 1**

**SHARE CAPITAL**

**A) AUTHORISED CAPITAL**

1,20,00,000 Equity Shares Of Rs. 10/- Each 120,000,000 120,000,000

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

90,52,680 (P.Y. 90,52,680) Equity Shares of Rs. 10/- each	90,526,800	90,526,800
Less: Calls Unpaid	--	152,000
	<b>90,526,800</b>	<b>90,374,800</b>

**NOTE 1.1 :** Of these 4,31,080 equity shares of Rs. 10 each fully paid up issued at premium of Rs. 8.59 per share upon conversion of convertible warrants issued on preferential basis in the financial year 2010-11.

**NOTE 1.2 :** The calls unpaid of Rs. 152000/- as conveyed by the Management has received and relied upon by the Auditors.

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

The Company has only one class of equity shares having par value of Rs.10/- . Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the 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 share holders.

**D) Reconciliation of Outstanding Shares:**

	No. of shares as on 31st March 2015	No. of shares as on 31st March 2014
Opening as on 1st April 14	9,052,680	9,052,680
Add: Issued during the year	--	--
Closing as on 31st March 15	<b>9,052,680</b>	<b>9,052,680</b>

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

Name of the Shareholder	No. of shares as on 31st March 2015	% of Holding	No. of shares as on 31st March 2014	% of Holding
Indo Euro Securities Ltd.	1,829,417	20.21	1,829,437	20.21
Manisha Dujodwala	853,250	9.43	853,250	9.43
Alka Dujodwala	578,790	6.39	578,790	6.39
	<b>3,261,457</b>	36.03	<b>3,261,457</b>	36.03

F) Bonus shares / Buy Back / Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended on 31st March 2015:

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



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

	31-03-2015 (Rs.)	31-03-2014 (Rs.)
<b>NOTE 2</b>		
<b>RESERVES AND SURPLUS:</b>		
<b>A) CAPITAL RESERVE:</b>		
Balance as per last balance sheet	7,025,984	7,025,984
Add: During the year	--	--
Balance at the end of the year	<b>7,025,984</b>	<b>7,025,984</b>
<b>B) Securities Premium Account :-</b>		
Balance as per last balance sheet	80,996,677	80,844,677
Add: During the year	--	--
Balance at the end of the year	<b>80,996,677</b>	<b>80,844,677</b>
<b>C) General Reserve :-</b>		
Balance as per last balance sheet	14,991,838	26,033,060
Less: Sales tax deferment liability.	--	11,041,222
Balance at the end of the year	<b>14,991,838</b>	<b>14,991,838</b>
<b>D) Surplus :-</b>		
Balance as per last balance sheet	316,739,817	268,899,865
Add: Profit for the period	42,011,622	47,839,953
<b>Less: Appropriations:</b>		
Adjustment relating to fixed assets (refere note No. 10.1)	27,720,360	--
- Proposed dividend	--	--
- Tax on Dividend	--	--
Balance at the end of the year	<b>331,031,079</b>	<b>316,739,817</b>
<b>Total of (A+B+C+D)</b>	<b>434,045,578</b>	<b>419,602,316</b>

**NOTE 3**

**LONG TERM BORROWING**

**Term Loans:**

**Secured Loans - From Banks**

**From Saraswat Co.Op. Bank Limited**

Rupee term loan *	4,151,397	19,553,665
Repayable in monthly installments of Rs. 123100/- each and 52 EMLs are outstanding at the year end.		
Rupee term loan *	11,083,368	7,578,401
Repayable in 71 monthly installments of Rs. 4,75,000/- each and		





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

	31-03-2015 (Rs.)	31-03-2014 (Rs.)
41 EMIs are outstanding at the year end.		
Rupee Working Capital Demand Loan *	71,167,123	--
Repayable in 60 monthly installment out of which first 12 monthly installments are of Rs. 8 Lacs each; next 12 installments are of Rs.10 Lacs each; next 35 monthly installments are of Rs.16 Lacs & next 1 installment is of Rs. 24 Lac.		
<b>NOTE 3.1</b>		
*1) Secured against first charge on the present and future fixed assets of the Company (Land & Building, Plant & Machinery)		
*2) Secured against equitable mortgage of factory land & building at Kumbhivali village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410202, Dist: Raigad, and hypothecation of Plant and Machinery.		
*3) Personal Guarantee of Mr. Kamal Dujodwala, Chairman & Mr. Pannkaj Dujodwala, Managing Director of the Company.		
Loan from Reliance Capital Ltd*	3,906,871	--
Repayable in 36 monthly installments of Rs. 2,41,936/- each and 28 EMIs are outstanding at the year end secured by first charge by way of hypothecation of equipment financed and personal guarantee of Mr. Kamal Dujodwala (Chairman) and Mr. Pannkaj Dujodwala Managing Director of the Company.		
Vehicle Loan*	2,362,306	2,828,602
* (Secured against specific equipments & vehicle financed and personal guarantee of Mr. Pannkaj Dujodwala, Managing Director of the Company). (Vehicle Loans are subject to confirmation)	<u>92,671,065</u>	<u>29,960,668</u>
<b>NOTE 4</b>		
<b><u>DEFERRED TAX LIABILITY (NET)</u></b>		
<b>A) Deferred tax liability</b>		
Related to Depreciation and Amortization of Fixed Assets	60,191,837	69,343,362
	<u>60,191,837</u>	<u>69,343,362</u>
<b>B) Deferred Tax Assets</b>		
Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961.	5,146,922	4,431,636
(Gratuity, Provision for doubtful debts, Leave encashments)	5,146,922	4,431,636
Total (A - B)	<u>55,044,915</u>	<u>64,911,726</u>



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

	31-03-2015 (Rs.)	31-03-2014 (Rs.)
<b>NOTE 5</b>		
<b><u>LONG TERM PROVISIONS</u></b>		
<b>For Employee benefits:</b>		
Provision for gratuity (refer note 35)	8,663,780	7,277,440
Provision for leave encashment (refer note 35)	1,670,713	1,065,252
	<b><u>10,334,493</u></b>	<b><u>8,342,692</u></b>

<b>NOTE 6</b>		
<b><u>SHORT TERM BORROWING</u></b>		
<b><u>Loans repayable on demand</u></b> (refer note 6.1)		
Cash Credit from The Saraswat Co.-Op. Bank Ltd.**	285,142,010	283,273,665
Working capital loan** (includes buyers credit, pre-shipment / post shipment credit)	294,482,170	211,270,497
	<b><u>579,624,180</u></b>	<b><u>494,544,162</u></b>

**NOTE 6.1**

The borrowings are secured by :

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

**NOTE 7**

**TRADE PAYABLES**

Due to Micro, Small and Medium Enterprises (refer Note No. 7.1)	--	--
Due to others	238,077,508	325,368,743
	<b><u>238,077,508</u></b>	<b><u>325,368,743</u></b>

**NOTE - 7.1**

**Due to small-scale industrial undertakings and due to micro enterprises and small enterprises:**

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

**Note 7.2**

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



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

	31-03-2015 (Rs.)	31-03-2014 (Rs.)
<b>NOTE 8</b>		
<b><u>OTHER CURRENT LIABILITIES</u></b>		
Current maturities of long term debts (refer note no.3 & 3.1)	31,098,400	22,999,615
Unpaid dividend	1,068,345	1,068,345
<b><u>Other payables:</u></b>		
TDS payable	894,089	989,812
Sales tax payable	2,235,487	1,864,290
Other statutory dues payable	625,120	365,197
Excise duty payable on closing stock of finished goods	15,682,439	12,924,672
Sundry Creditors for expenses	38,798,249	27,750,410
Advance from customers	4,916,680	48,898,682
Loans & advance from related parties	--	12,855,072
Deferred Sales Tax Liability (refer Note No. 33)	1,763,946	5,580,715
Salaries payable	7,618,464	5,370,866
Advance from Contractors/ Service providers	27,717,589	2,662,072
Other Liabilities (including Rs. 1019000 Godown rent Rs. 201700 Office Expenses)	1,220,700	11,49,027
	<b><u>133,639,509</u></b>	<b><u>144,478,774</u></b>

**NOTE 9**

**SHORT TERM PROVISIONS**

**For Employee benefits:**

Provision for gratuity (Note No. 35)	2,947,085	2,085,882
Provision for Leave encashment (Note No. 35)	234,247	89,232
Provision for Income Tax for A.Y. 2015-16	23,000,000	--
	<b><u>26,181,332</u></b>	<b><u>2,175,114</u></b>

## MANGALAM ORGANICS LIMITED

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

#### NOTE - 10

#### TANGIBLE ASSETS:

Particulars of Assets	GROSS CARRYING AMOUNT			DEPRECIATION				NET CARRYING AMOUNT		
	As on 01.04.14	Addition/adjustment	Deduction/adjustment	As on 31.03.15	Upto 1.04.14	For the Year	Deduction/Adjustment	Upto 31.03.15	As on 31.03.15	As on 31.03.14
Land	15,683,087	-	-	15,683,087	-	-	-	-	15,683,087	15,683,087
Residential Colony	5,435,483	-	-	5,435,483	2,559,693	63,781	-	2,623,474	2,812,009	2,875,790
Factory Building	106,986,282	1,326,067	-	108,312,349	48,136,876	3,923,608	-	52,060,484	56,251,866	58,849,407
Plant and Machinery	670,029,153	74,842,576	-	744,871,729	308,650,524	52,160,500	-	360,811,024	384,060,705	361,378,629
Vehicles	22,362,609	1,698,641	1,940,271	22,120,979	10,095,999	3,602,867	1,111,561	12,587,305	9,533,673	12,266,609
Furniture & Fixture	5,323,616	2,423,652	578,661	7,168,607	2,756,917	627,285	-	3,384,202	3,784,405	2,566,699
Computers	2,532,598	1,908,211	98,223	4,342,586	1,495,310	717,390	-	2,212,700	2,129,886	1,037,288
Office Equipment	4,049,933	1,559,673	121,210	5,488,396	1,822,934	584,698	-	2,407,632	3,080,764	2,226,999
Office Premises	366,131	-	-	366,131	156,309	19,152	-	175,461	190,670	209,822
<b>Total</b>	<b>832,768,892</b>	<b>83,758,820</b>	<b>2,738,365</b>	<b>913,789,347</b>	<b>375,674,562</b>	<b>61,699,281</b>	<b>1,111,561</b>	<b>436,262,282</b>	<b>477,527,065</b>	<b>457,094,330</b>
Capital work in progress	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>832,768,892</b>	<b>83,758,820</b>	<b>2,738,365</b>	<b>913,789,347</b>	<b>375,674,562</b>	<b>61,699,281</b>	<b>1,111,561</b>	<b>436,262,282</b>	<b>477,527,065</b>	<b>457,094,330</b>
Previous year	884,130,856	42,590,599	2,737,951	923,983,504	380,198,341	46,763,141	1,106,073	425,855,409	498,128,095	503,932,515

10.1 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortization and Depletion. Accordingly the unamortized carrying value is being depreciated / amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs. 27720360/- (net of deferred tax).

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

	31-03-2015 (Rs.)	31-03-2014 (Rs.)
<b>NOTE - 11</b>		
<b><u>NON -CURRENT INVESTMENT</u></b>		
(Valued at cost unless otherwise stated)		
<b>(Unquoted, non-trade)</b>		
Saraswat Co.Op.Bank Ltd.,	25,000	25,000
<b>Face value</b>	<b>25,000</b>	<b>25,000</b>
Rs. 10/-	2500	Rs. 25000/-
(Aggregate amount of unquoted investment)	25,000	25,000
(Provision made for diminution in value of investment)	--	--
<b>NOTE - 12</b>		
<b><u>LONG -TERM LOANS AND ADVANCES</u></b>		
(Unsecured, considered good)		
Capital advances	--	2,534,459
Security deposits (including deposit for Telephone, Gas, Tender, Rent)	1,690,342	1,808,994
Sales Tax Deferment (refer Note No.33)	1,763,946	1,763,946
	<b>3,454,288</b>	<b>6,107,398</b>
<b>NOTE - 13</b>		
<b><u>INVENTORIES</u></b>		
(As taken, valued and certified by the Management & relied upon by Auditors)		
Raw materials	210,010,230	202,544,229
Material in transit	--	3,087,625
Work-in-process	128,315,944	89,678,330
Finished goods	290,437,129	218,887,557
Stores and spares	8,675,515	7,476,884
Power & fuel	6,456,840	3,674,696
Packing materials	2,156,450	1,714,535
Stock in Trade	7,420,858	19,473,408
	<b>653,472,966</b>	<b>546,537,264</b>
<b>NOTE - 14</b>		
<b><u>TRADE RECEIVABLES</u></b>		
Outstanding for more than 6 months		
Considered good	24,890,415	25,112,751
Considered doubtful	5,488,818	3,141,114
	30,379,233	28,253,865
Less Provision for Doubtful debts	5,488,818	3,141,114
	24,890,415	25,112,751



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

	<b>31-03-2015 (Rs.)</b>	<b>31-03-2014 (Rs.)</b>
Outstanding for less than 6 months	204,483,537	328,042,615
	<b>229,373,952</b>	<b>353,155,367</b>
Less: Bills Discounted	12,165,402	11,697,051
	<b>217,208,550</b>	<b>341,458,315</b>

**NOTE - 14.1**

Trade receivable are subject to confirmation

**NOTE - 15**

**CASH AND BANK BALANCES**

**CASH AND CASH EQUIVALENTS**

Balance with banks	8,610,693	14,305,921
Cash on hand	1,168,587	824,159
	<b>9,779,281</b>	<b>15,130,080</b>

**OTHER BANK BALANCES:**

Balance in unpaid dividend account	1,083,845	1,083,845
Margin Deposits including fixed deposits (pledged with Bank) (refer note no. 15.1 below)	40,802,662	30,270,344

**Note 15.1**

Out of the above balance of fixed deposit a sum of Rs. 221267/- is not confirmed by the J & K Bank, because these were given against Bank Guarantee which was given to Mumbai Port Trust, and was disputed. The same is as per the note No. 27 (IV) and the fixed deposit has been revoked by the Bank, the case is pending with Mumbai Port Trust and therefore no effect is given by the Company.

	41,886,507	31,354,189
	<b>51,665,788</b>	<b>46,484,269</b>

**NOTE 16**

**SHORT TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Advance to Suppliers	54,155,196	44,068,327
Advance to Staff	135,250	202,708
VAT Refund receivable	25,118,810	21,120,875
Insurance Claim Receivable (refer Note No.29)	29,269,930	16,500,500
Sales Tax Deferment (refer Note No. 33)	1,763,946	3,816,769
Export Benefit / SAD Refund receivable	1,624,589	1,492,418
Deposits (incl. Telephone, Godown/Office Rent)	1,394,371	764,761
Deposit for premises to Dujodwala Resins & Terpenes Ltd (Related party)	50,000,000	--
Advance for services to Dujodwala Resins & Terpenes Ltd (related party)	7,729,668	--
Advance for services to Inspirations (related party)	387,200	--
Un-used DEPB Licence	3,742,394	3,901,316
Balance with excise authorities	62,897,932	42,044,907



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

	<b>31-03-2015 (Rs.)</b>	<b>31-03-2014 (Rs.)</b>
Advance Income Tax & TDS (net of provisions) [includes provision for tax C.Y. Rs. 23000000/- (P.Yrs. 21500000/-) and TDS C.Y. Rs. 7543/- (P.Yrs. Rs. 280/-)]	17,974,180	6,966,637
	<b>256,193,466</b>	<b>140,879,218</b>
<b>NOTE - 16.1</b>		
Advances given are subject to Confirmation		
<b>NOTE 17</b>		
<b><u>OTHER CURRENT ASSETS</u></b>		
Prepaid expenses	598,258	139,436
MAT Credit entitlement	--	--
	<b>598,258</b>	<b>139,436</b>
<b>NOTE 18</b>		
<b><u>REVENUE FROM OPERATIONS</u></b>		
<b><u>Sale of Products</u></b>		
Local Sales	2,250,723,244	2,042,521,454
Less: Excise duty	238,449,224	210,132,136
	2,012,274,020	1,832,389,318
Export Sales	179,366,565	248,158,448
Trading Sales	199,325,133	236,036,877
	<b>2,390,965,718</b>	<b>2,316,584,643</b>
<b>NOTE 19</b>		
<b><u>OTHER INCOME</u></b>		
Excise - SAD refund	1,185,638	2,607,152
Dividend on non current investments	2,500	2,500
Interest on FDR & others	2,649,321	4,309,348
Export benefit	1,868,230	2,212,161
Miscellaneous income	29,952,006	2,586,268
	<b>35,657,696</b>	<b>11,717,429</b>
Note 19.1) Out of the above miscellaneous income of Rs. 2,99,52,006/-, Rs. 2,60,00,000/- is pertaining to insurance claim receivable and has been accounted based on the certification of the management)		
<b>NOTE 20</b>		
<b><u>COST OF MATERIALS CONSUMED:</u></b>		
Inventory at the beginning of the year	205,631,854	77,608,735
Add: Purchases	1,784,381,454	1,700,919,613
	1,990,013,308	1,778,528,348
Less: Inventory at the end of the year	210,010,230	205,631,854
Cost of materials consumed	<b>1,780,003,078</b>	<b>1,572,896,494</b>



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

	31-03-2015 (Rs.)	31-03-2014 (Rs.)
<b>NOTE 21</b>		
<b>TRADING PURCHASE</b>		
Trading purchases (Stock in trade Purchase)	183,757,916	229,354,285
	<b>183,757,916</b>	<b>229,354,285</b>
<b>NOTE 22</b>		
<b>(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS</b>		
<b>WORK-IN-PROCESS AND TRADING (STOCK IN TRADE)</b>		
<b>Inventories at the end of the year</b>		
Work-in-progress	128,315,944	89,678,330
Finished goods	290,437,129	2,18,887,557
Stock in Trade	7,420,858	19,473,408
	426,173,931	328,039,295
<b>Inventories at the beginning of the year</b>		
Work-in-progress	89,678,330	87,198,050
Finished goods	218,887,964	230,141,057
Stock in Trade	19,473,000	26,156,031
	328,039,294	343,495,138
	<b>(98,134,637)</b>	<b>15,455,843</b>
<b>NOTE 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	100,873,564	75,247,683
Directors remuneration	2,400,000	2,400,000
Contribution to Provident Fund and other funds	2,302,732	1,322,957
Gratuity expenses	2,300,764	1,719,885
Staff welfare expenses	3,334,418	3,388,373
	<b>111,211,478</b>	<b>84,078,898</b>
<b>NOTE 24</b>		
<b>FINANCE COSTS:</b>		
On term loan	7,982,890	8,168,605
On other facilities	39,006,476	42,280,889
Interest to others	2,614,672	1,804,851
Bank and LC charges	8,507,614	26,739,481
	<b>58,111,652</b>	<b>78,993,826</b>
<b>NOTE 25</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing expenses:</b>		
Consumption of Stores and Spare parts	4,159,587	2,095,718
Power and Fuel	138,478,003	117,724,044



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

	<b>31-03-2015 (Rs.)</b>	<b>31-03-2014 (Rs.)</b>
Consumption of Packing Materials	16,107,888	13,226,503
Boiler expenses	3,709,813	3,556,216
Repairs to:		
Building & Others	2,623,282	2,100,240
Machinery	6,683,251	7,883,735
(Increase) / decrease in excise duty on closing stock of finished goods	2,757,767	(4,316,654)
(A)	<u>174,519,591</u>	<u>142,269,804</u>
<b>Administrative and other expenses:</b>		
Donation	1,024,501	--
Export expenses	12,364,336	15,658,795
Freight and Forwarding	29,374,604	32,538,153
Foreign exchange fluctuation (net)	3,291,945	2,185,606
Insurance	1,650,996	1,516,696
Legal and professional fees	3,668,622	3,138,467
Loss on sale Fixed Assets	303,016	1,294,101
Rebate and discounts on sales	3,184,365	3,465,366
Rates and Taxes	13,661,017	12,348,854
Traveling & Conveyance	8,589,635	7,807,221
Doubtful Debts	2,347,704	3,141,114
Miscellaneous expenses	6,876,097	3,214,519
Payment to auditor:		
Audit fees	500,000	500,000
Tax audit fees	160,000	100,000
(B)	<u>86,996,837</u>	<u>86,908,892</u>
<b>Total (A + B)</b>	<u><b>261,516,428</b></u>	<u><b>229,178,696</b></u>

**I). NOTES TO ACCOUNTS**

**26. SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation**

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

**2. Use of estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the

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

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financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

### 3. Tangible assets and depreciation

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

### 4. Valuation of inventory

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

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

### 5. Revenue recognition

- i. Sales are recognized, net of returns and trade discounts, on dispatch of goods to customers and are reflected in the accounts at gross realizable value i.e. Inclusive of excise duty but excluding Sales Tax/VAT.
- ii. In appropriate circumstances, revenue (Income) is recognized when no significant uncertainty as to measurability or collectibles exists and in case of export benefits / incentives are accounted on accrual basis.
- iii. Interest income is recognized on time proportionate method.
- iv. Claim lodged with insurance companies are recognized as income on reasonable certainty of the claim from Insurance Company. The excess/ shortfall of claims passed are adjusted in the year of receipt.

### 6. Employee retirement benefits

#### i. Defined Contribution Plans:

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

#### ii. Defined Benefits Plans:

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

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

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

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

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

**7. Investments**

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

**8. Foreign currency transactions**

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

**9. Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of such assets for the period until the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. A qualifying asset is one that takes substantial period of time to get ready for intended use.

**10. Taxes**

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

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

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

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

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

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

**13. Excise duty and CENVAT credit**

Excise duties recovered are included in Sales and shown separately in financial statement as deduction from sales. Excise duty provision made in respect of finished goods lying at factory premises are shown separately as an item of

manufacturing and other expenses and included in the valuation of finished goods. Cenvat credit available on purchases of service / materials / capital goods is accounted by reducing cost of services / materials / capital goods. Cenvat credit availed of is accounted by way of adjustment against excise duty payable on dispatch of finished goods.

**14. Customs duty**

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

**15. Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue allotment of equity shares. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**16. Cash Flow Statement**

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

**17. Miscellaneous Expenditure**

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

**II). NOTE TO ACCOUNTS**

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

	31 <sup>st</sup> March 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs.)
Bank Guarantee	29,57,420	38,76,420

Bank guarantees issued by banks on behalf of the Company Rs. 29.57 Lacs (Previous Year Rs 38.76 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. 86,81,151/- (P.Y. Rs. 25,31,459/-)

**iii. Excise Duty**

	31 <sup>st</sup> March 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs.)
Feb 04 to May 05 (Price Difference)	2,47,49,315	2,47,49,315
April 99 to March 04 (Central excise duty)	11,58,94,818	11,58,94,818
April 04 to Nov 04 (Central excise duty)	1,01,92,867	1,01,92,867
Dec 04 to Sept 05 (Central excise duty)	81,44,105	81,44,105
July 99 to Jan-04	91,30,615	91,30,615
Sept-03 to Nov-04	1,45,58,818	--
Sept-03 to Nov-04	2,20,73,762	--

a) In the earlier year the Company 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 has received order in its favour from CESTAT against the Order passed by the Commissioner of Central Excise & Custom against which the department has filed an civil appeal in Supreme Court for condemnation of delay in filling the Petition of appeal, hence no provision has been made in books of account for Excise duty of Rs 2,47,49,315/-.

- b) In the earlier year the Company has received notice from Commissioner of Central Excise & Customs determining interest on excise duty liability for the period July 1999 to January 2004 of Rs. 1,68,38,001/- as against interest of Rs. 77,07,386/- calculated and paid by the company in financial year 2011-12. The excise department has 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 crediting RG23 balance. Since the Company has 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 has gone in appeal against the Show Cause Notice decided in favour of Company by Commissioner of Central Excise and Customs (Appeals) 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. The Company has further received Show Cause Notice from the Department for the period April 04 to November 04 of Rs. 1,01,92,867/- for which the Company has obtained Stay Order from the CESTAT against the Order passed by the Commissioner against it. Against all the above show cause notices for the period from April-99 to November-04 CESTAT passed order confirming cum-duty demand for the normal period. Against the said order, during the current financial year, the 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. For the 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 has not been provided for in books of account. During the current year the Company has 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 has paid Rs. 20,00,000/- under protest in the current financial year and for which no provision has been made in books of account as for the entire demand amount for the period from April-1999 to November 2004, appeal is pending before the Mumbai High Court.

**iv. Claim not acknowledged**

	31 <sup>st</sup> March 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs.)
Others	9,10,000	9,10,000

The (Other) claim against Company not acknowledged as debt is for suite filed in Mumbai High court for Rs 7.65 lac by Mumbai Port Trust and claim for Rs 1.27 Lacs by Marine Container Service Ltd and Rs 0.18 lac by Pacific International Ltd as damages charges for container received through them.

- v. Letter of credit issued by the bankers of the Company Rs. 35,04,74,495/- (P.Y. Rs. 30,15,58,334/-)
- vi. **In respect of income tax matter:** For AY 2009-10 claim of set off of unabsorbed depreciation of Rs. 22,57,397/- was disallowed by AO and appeal of the Company was rejected by Commissioner of Income Tax (Appeals) Also. Aggrieved by the order of CIT-A, the Company has preferred an appeal before Hon'ble Income Tax Appellate Tribunal which is not yet heard and hence no provision is made in books.
- vii. 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.

viii. The Company has imported certain raw materials during the earlier years of which the supplies being defective have been disputed with the suppliers and accordingly payment has not been made to the suppliers of Rs.79053366/- which is under negotiation with the party and same shall be dealt as per RBI guidelines. As the party has filed litigation for the same during current financial year for which the Company has not acknowledged the claim. The Company is contingently liable to pay interest & foreign exchange fluctuation impact, if any.

## 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. 1793.67 Lacs (P.Y.Rs. 2481.58 Lacs) out of Total Turnover of Rs.23909.66 Lacs (P.Y.Rs.23165.85 Lacs). But due to the nature of business, the assets/liabilities and expenses for these activities cannot be bifurcated separately.

29. The advances recoverable includes a sum of Rs. 292.70 Lacs (P.Y. Rs. 165.00 Lacs) of Insurance claim receivable on account of claims lodged on insurance companies due to fire and other losses suffered of Company's various assets & under business interruption policy due to the fire as on 29<sup>th</sup> January, 2014. The said claims are under active consideration of the insurance Company.

30. In consonance with the Accounting Standards on Inventory Valuation (AS2) and Guidance Note on Accounting Treatment for Excise issued by The Institute of Chartered Accountants of India, the Company has provided for liability of excise duty payable on finished goods amounting to Rs.156.82 Lacs (P.Y. Rs.129.24 Lacs).

## 31. Earnings per share (EPS)

Sl. No.	Description	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
a)	Weighted average number of equity Shares of Rs.10/- each		
	a) Number of shares at the Beginning of the year	90,52,680	90,52,680
	ii) Number of shares at the End of the year	90,52,680	90,52,680
	Weighted average number of Equity Shares – Basic	90,52,680	90,52,680
	Weighted average number of Equity Shares – Diluted	90,52,680	90,52,680
b)	Net profit after tax available for Equity share-holders	42,011,622	47,839,952
c)	- Basic Earnings per Equity Share (in Rupees)	4.64	5.28
	- Diluted Earning per Equity Share (in Rupees)	4.64	5.28

32. The Company was earlier enjoying the benefit of sales tax deferment under State Incentive Package Scheme as the unit was situated in a state notified backward area. During the earlier period i.e. 1997-98 to 2001-02 the company has included in the income the sales tax deferment amount but has not created liability till previous years. Since the current years outstanding amount was Rs. 38,16,769/- towards Sales tax deferment Liability which is paid and debited to Profit & Loss since taken as income in the earlier years as per the management.

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

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

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

[B] Companies /Firm controlled by the Directors & their relatives who have the authority for controlling their activities.

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

The Directors are the Key Management Personal (KMP) who have the authority for controlling the activities of the Company.

[C] Information on related party transactions as required by accounting Standard-18 for the year ended on 31-03-2015.

Nature of transactions	Relationship	Total Rs. In Lakhs	
		2014-15	2013-14
<b>Remuneration</b>			
Kamal Dujodwala	Key management personnel	12.00	12.00
Pannkaj Dujodwala	Key management personnel	12.00	12.00
Akshay Dujodwala	Key management personnel	5.50	--
<b>TOTAL</b>		<b>29.50</b>	<b>29.50</b>

Nature of transactions	Relationship	Nature	Amount in Lakhs	
			2014-15	2013-14
Net Loans & Advances, Deposits given / Returned				
Dujodwala resins & Terpenes Ltd	Associates	Rent Deposit	500.00	--
Dujodwala resins & Terpenes Ltd	Associates	Adv. For Service charges	77.30	--
Inspirations	Associates	Adv. For service charges	2.89	--
Total			580.19	

Nature of transactions	Relationship	Total Rs. In Lakhs	
		2014-15	2013-14
<b>Revenue from operations</b>			
Dujodwala resins & Terpenes Ltd	Associates	231.13	273.43

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

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

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

#### (i) Defined Contribution Plans

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

	For the year ended March 31, 2015	For the year ended March 31, 2014
Employers Contribution to Provident Fund	23,02,732	13,22,957

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

<b>a. Major Assumptions</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
	(% p.a.)	(% p.a.)
Discount Rate	7.85	9.15
Expected Rate of Return on Plan Assets	8.00	8.00
Salary Escalation Rate	5.00	5.00
Attrition Rate	<b>2.00</b>	<b>2.00</b>
@ The estimates for the future salary increases considered takes into account the Inflation, seniority, promotion and other relevant factors.		
<b>b. Change in the Present Value of Obligation</b>		
Present Value of Obligation as at 1 <sup>st</sup> April-14	93,63,322	84,75,683
Current Service Cost	15,63,614	1,041,305
Interest Cost	7,71,943	678,580
Benefit Paid	(18,53,575)	(92,238)
Actuarial Loss on Obligations	17,65,561	(7,40,008)
Present Value of Obligation as at 31 <sup>st</sup> March-2015	11,610,865	9,363,322
<b>C. Change in Fair Value of Plan Assets.</b>		
Present Value of Plan Assets as at 1 <sup>st</sup> April 2014	--	--
Expected Return on Plan Assets	--	--
Actuarial (Loss) on Plan Assets	--	--
Contributions	1853575	92,238
Benefits paid	(1853575)	(92,238)
Present Value of Plan Assets as at 31 <sup>st</sup> March 2015	--	--
<b>d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
Present value of Funded Obligation as at March 31, 2015	11,610,865	9,363,322
Fair Value of Plan Assets as at March 31, 2015	--	--
Funded Status	(11,610,865)	(9,363,322)
Present Value of Unfunded Obligation as at March 31, 2015	11,610,865	9,363,322
Unfunded Net Liability Recognised in the Balance Sheet Disclosed in long term provisions	11,610,865	9,363,322
<b>e. Amount Recognised in the Balance Sheet</b>		
Present Value of Obligation as at March 31, 2015	11,610,865	9,363,322
Fair Value of Plan Assets as at March 31, 2015		
Liability Recognised in the Balance Sheet and disclosed under long term provisions	11,610,865	9,363,322
<b>f. Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	15,63,614	1,041,305
Interest Cost	7,71,943	678,580
Expected Return on Plan Assets	--	--
Net Actuarial Losses Recognised in the Statement of Profit and Loss	17,65,561	(740,008)
Total expenses Recognised in the Statement of Profit and Loss	41,01,118	979,877
Actual Return on Plan Assets	Nil	Nil



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

a) The following assumptions are made by the actuary for the calculation of leave Encashment Benefits:

**Valuation Basis**

- i. Mortality rate : IALM (2006-08) Ultimate Table
- ii. Discount rate : 7.85% p.a.
- iii. Salary Escalation : 5% p.a.
- iv. Withdrawal Rate : 2% p.a.

**Valuation Method**

- i. The method of Valuation adopted was the Projected Unit Credit Method as specified in AS-15 (Revised 2005) of I.C.A.I.
- ii. A suitable allowance has been made for availment of leave during the future service of employees.
- iii. The computation of Leave liability is based on the basis of the data and information furnished by the Company. A summary of data is given below :

No. of Employees : 348  
 Total Monthly Basic Salary : Rs. 8,54,451 Leave Balances : 8713 days

**Valuation Results**

Actuarial Value of Leave Encashment

Benefits as on 31<sup>st</sup> March, 2015 in respect of 348 Employees of the Company **Rs. 19,04,960/-**

BREAK-UP OF ABOVE : Current Liability Rs. 2,34,247/-  
 Non Current Liability Rs. 16,70,713/-

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

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
- Raw Material (CIF)	13037.00	14087.51
- Traveling Expenses	11.18	16.87
- Purchase of Trading Goods	562.11	1054.84

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

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
Exports made on FOB Basis	1713.58	2341.43

**37.** Provision for current taxation is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with Income Tax Act 1961 for relevant assessment year. As per the normal provision of Income Tax Act, 1961, there are taxable profits and hence tax provision has been made as per provisions of the IT Act, 1961.

**38.** In the opinion of the management, there is no impairment of assets in accordance with Accounting Standard (AS-28) as on Balance Sheet date.



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39. 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.
40. 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.
41. Previous year figures have been regrouped, rearranged and reclassified, wherever necessary, to conform to current year's presentation.
42. The Company has been supporting various charity projects, however in view of recent guidelines for the expenditure on CSR activities; the Board of Directors of the Company will be appointing CSR committee which will be exploring best avenues within the allowable expenditure on CSR pending same. The Company, through has not spent any amount during the year; however it has decided to carry CSR activities during the next financial year onwards.
43. The Balance sheet of the Company has been prepared as per schedule III of the Companies Act, 2013.

AS PER ANNEXED REPORT OF EVEN DATE

For R Kabra & Co.  
CHARTERED ACCOUNTANTS  
Sd-  
Deepa Rathi  
PARTNER  
Mem. No. 104808  
FRN. 104502W

For and on behalf of Board of Directors

Sd-  
Kamalkumar Dujodwala  
Chairman

Sd-  
Pannkaj Dujodwala  
Managing Director

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2015.



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH, 2015.

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	68,458,216	71,580,889
<b>Adjustment For :</b>		
Depreciation	61,699,281	46,763,141
Interest Income	(2,649,321)	(4,309,348)
Dividend received	(2,500)	(2,500)
Interest	58,111,652	78,993,826
Loss on sale of Fixed Assets	303,016	1,294,101
<b>Operating Profit before working capital changes</b>	<b>185,920,344</b>	<b>194,320,109</b>
<b>Adjustment For :</b>		
Trade & Other Receivables	3,629,805	(94,620,581)
Inventories	(106,935,702)	(111,351,564)
Trade and other Payables	(72,132,481)	(21,216,913)
<b>Cash generated from operations</b>	<b>10,481,966</b>	<b>(32,868,949)</b>
Income tax Paid	(11,000,000)	(16,500,000)
<b>Net Cash from Operating Activities - I</b>	<b>(518,034)</b>	<b>(49,368,949)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(83,758,820)	(30,053,297)
Interest Income	2,649,321	4,309,348
Dividend Received	2,500	2,500
Sale of Fixed Assets	600,000	337,777
<b>Net Cash used in Investing Activities - II</b>	<b>(80,506,999)</b>	<b>(25,403,672)</b>
<b>C. Cash Flow from financing activities</b>		
Proceeds from conversion of warrants into equity shares	304,000	--
Proceeds from Short Term Borrowings	85,080,018	170,163,249
(Repayment)/ proceed of/ from long term borrowings	62,710,397	(12,851,684)
Premium on conversion of warrants into equity shares	--	--
Interest Paid	(58,071,096)	(78,993,826)
Payment of sales tax deferement	(3,816,769)	--
<b>Net cash used in financing activities - III</b>	<b>86,206,551</b>	<b>78,317,740</b>
Net Increase in Cash and Cash Equivalents	5,181,519	3,545,119
Opening balance of cash & cash equivalents	46,484,269	42,939,150
Closing balance of cash & cash equivalents	51,665,788	46,484,269

**Notes:**

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

For **R. KABRA & Company**  
Chartered Accountants  
Deepa Rathi (PARTNER)  
Mem. No. 104808 / FRN. 104502W  
Place : Mumbai  
Dated: 30th May, 2015.

For and on behalf of Board of Directors

Sd-  
Director

Sd-  
Director



**MANGALAM ORGANICS LIMITED**

Regd. Office Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 202. Dist. Raigad (M.S.)

**PROXY FORM**

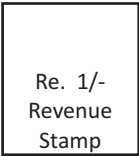
DPID\*\* : \_\_\_\_\_

CLIENT ID: \_\_\_\_\_

FOLIO NO. : \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I/We..... of..... in the District of..... being a member / members of MANGALAM ORGANICS LIMITED hereby appoint Shri/Smt..... of..... in the District of..... or failing him Shri/Smt ... of..... in the District of..... as my/our proxy to attend and vote for me/us on my/our behalf at the 33rd Annual General Meeting of the Company to be held on Thursday, 24<sup>th</sup> September, 2015 at 11.00 a.m. at the Company's Regd. Office at Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 202. Dist. Raigad, Maharashtra.



Signed

Date

Notes:

1. The instrument of proxy form shall be deposited at the Regd. Office of the Company not less than 48 hours before the commencement of the meeting. A proxy need not be member.

\*\* Applicable to the members whose shares are held in dematerialized form.

**MANGALAM ORGANICS LIMITED**

Regd. Office Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 202. Dist. Raigad (M.S.)

**ATTENDANCE SLIP**

DPID\*\* : \_\_\_\_\_

CLIENT ID: \_\_\_\_\_

FOLIO NO. : \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

Name of the Member :

Name of the Proxy (to be filled if the proxy attends :

Instead of the Member.

I hereby record my presence at the 33rd Annual General Meeting being held on Thursday, 24<sup>th</sup> September, 2015 at 11.00 a.m. at Company's Regd. Office at Kumbhivali Village, Khalapur, Khopoli-410 202. Dist. Raigad, (M.S.)

Notes :

Member/Proxy Signature.

1. To be signed at the time of handing over this slip.

\*\* Applicable to the members whose shares are held in dematerialized form.

**BOOK – POST**

**To,**

If undelivered please return to:

The logo for Mangalam Organics Limited, featuring the word "mangalam" in a stylized, lowercase font with a registered trademark symbol (®). The letter 'a' is replaced by a flame-like shape.

**MANGALAM ORGANICS LIMITED**

812, Tulsiani Chambers,

Nariman Point,

Mumbai – 400 021.

India.



# **33rd Annual Report 2014-2015**

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