

BOARD OF DIRECTORS

Shri Kamalkumar Dujodwala	Chairman
Shri Pannkaj Dujodwala	Managing Director
Shri Narendra Goenka	Director
Shri Rajkumar Saraf	Director
Shri Rajkumar Jatia	Director
Shri Sharad Saraf	Director

AUDITORS :

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

BANKERS:

The Saraswat Co-operative Bank Limited (Scheduled Bank)
SME Nariman Point Branch, A-wing, Mittal Court,
Mumbai – 400 021.

AUDIT COMMITTEE:

Shri Sharad Saraf
Shri Rajkumar Saraf
Shri Kamalkumar Dujodwala

REGISTRAR AND TRANSFER AGENT

Universal Capital Securities Pvt. 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,
Ta: Khalapur, Khopoli – 410 202
Dist: Raigad (M.S.)

ADMINISTRATIVE OFFICE

812, Tulsiani Chambers
Nariman Point
Mumbai – 400 021

Corporate Identification Number: **L24110MH1981PLC024742**

[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 32nd Annual General Meeting of the members of **MANGALAM ORGANICS LIMITED** (formerly known as “**DUJODWALA PRODUCTS LTD**”) (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 Friday, 19th September, 2014, at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri Narendra Goenka, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in the place of Shri Kamal Kumar Dujodwala, 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 the Provisions of Section 139 and the Rules framed thereunder, and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. R Kabra & Co., Chartered Accountants, (Registration No.104502W), be and is hereby reappointed as 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. **APPOINTMENT OF SHRI RAJKUMAR JATIA (DIN : 00136303) AS AN INDEPENDENT DIRECTOR:**

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Rajkumar Jatia (DIN : 00136303), Director of the Company be and is hereby appointed as an independent director of the Company to hold office for 5 (five) consecutive years i.e. upto 18th September, 2019, & not liable to retire by rotation.

6. **APPOINTMENT OF SHRI RAJKUMAR SARAF (DIN : 00286748) AS AN INDEPENDENT DIRECTOR:**

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Rajkumar Saraf (DIN : 00286748),

Director of the Company be and is hereby appointed as an independent director of the Company to hold office for 5 (five) consecutive years i.e. upto 18TH September, 2019 & not liable to retire by rotation.

7. APPOINTMENT OF SHRI SHARAD SARAF (DIN:00035843) AS AN INDEPENDENT DIRECTOR:

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sharad Saraf (DIN : 00035843), Director of the Company be and is hereby appointed as an independent director of the Company to hold office for 5 (five) consecutive years i.e. upto 18TH September, 2019 & not liable to retire by rotation.

8. APPOINTMENT OF SHRI NARENDRA GOENKA (DIN:01234889) AS AN INDEPENDENT DIRECTOR:

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Narendra Goenka (DIN : 01234889), Director of the Company be and is hereby appointed as an independent director of the Company to hold office for 5 (five) consecutive years i.e. upto 18TH September, 2019 & not liable to retire by rotation.

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

Place : Mumbai

Date : 04.07.2014



NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The Proxy form in order to be effective must be deposited at the registered office of the Company not less than Forty Eight hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
2. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

3. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
4. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
5. The register of members and share transfer books of the Company will remain closed from 10.09.2014 to 19.09.2014 (both days inclusive) in connection with the ensuing Annual General Meeting.
6. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report, Members /Proxy Holders/Authorised Representatives are requested to fill in and affix their signatures at the space provided therein and submit the same at the venue of the AGM. Proxy/Authorised Representatives of members should state on the attendance slip as Proxy or Authorised Representative as the case may be.
7. Members are requested to immediately intimate change of address, if any, to the Company/Registrars and Share Transfer Agents (RTA) quoting reference of the Registered Folio Numbers.
8. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the report and other communications via email.
9. Soft copy of the Annual Report 2014 is being sent by electronic mode to the members whose email addresses are registered with the Company / Depository participants for communication purposes unless the members has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report, 2014 is being sent by the permitted mode.
10. The Notice of 32nd AGM and instructions for e-voting, alongwith the Attendance Slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository participants unless a member has requested for a hard copy of the same. For members who have not registered their email addresses physical copies of the aforesaid documents are being sent by the permitted mode.
11. Members also note that the Notice of 32nd AGM and the Annual Report 2014 is available on the Company's Website www.mangalamorganics.com. The physical copies of the aforesaid document is available at the Company's registered office for inspection during normal business hours on working days. Members who have queries may email at : info@mangalamorganics.com
12. The Director's Report, Auditor's Report and Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the financial year ended as on that date is enclosed.
13. In case of any query, Members are requested to send the same to Company's administrative office address at least 10 days before the date of the meeting so that information can be made available at the meeting.

14. **Listing requirement:**

As required under Clause 49 (IV) (g) of the listing agreement, given below are the details of the Directors:

A. Name : Shri Narendra Goenka

Date of Birth: 30.6.1957

Qualification : B.com Graduate

Shri Narendra Goenka is Textile Entrepreneur and have the vast experience in the field of Textile.

Other Directorship :

Texport Industries Private Limited

Kisha Private Limited

JBC Garments Private Limited

Rebound Exports Pvt. Ltd

Texport Technologies Private Limited

D. G. Goenka Equity Private Limited

Apparel Export Promotion Council

Dubin Services Private Limited

Committee Membership : Nil

Shareholding in the Company : Nil

B. Name : Shri Rajkumar Jatia

Date of Birth:14.10.1951

Qualification : B.com Graduate

Shri Rajkumar Jatia is a successful entrepreneur with interest in various field of trade and industry

Other Directorship :

Plash Food Private Limited

Avenue Technologies Private Limited

Ascent Hotels Private Limited

Prudential Hotels Private Limited

Magus Estates and Hotels Private Limited

Committee Membership : Nil

Shareholding in the Company : Nil

C. Name : Shri Sharad Saraf

Date of Birth: 05.09.1947

Qualification : Graduate (IIT)

Shri Sharad Saraf is a Observer and Activists representing the different industry Groups

Other Directorship :

BMS Industries Limited
 Technocraft Industries (India) Limited
 Technocraft Engineering Projects Limited
 Danube Fashions Limited
 Technocraft Exports Private Limited
 Confederation of Indian Textile Industry
 Technocraft Global Holding Limited
 Technocraft Table Formwork Systems Private Limited
 The Council of EU Chambers of Commerce in India
 Shreyan Infra and Power Private Limited
 Cotton Association of India

Committee Membership :

Shareholding in the Company : Nil

Name of the Company	Name of the Committee
Mangalam Organics Limited	Audit Committee – Chairman Shareholder/ Investors Grievance Committee – Chairman Remuneration Committee – Chairman

D. Name : Shri Rajkumar Saraf

Date of Birth : 07.10.1945

Qualification : B.com, LLB

Shri Rajkumar Saraf is industrialist in Hardware and software

Other Directorship :

Zenith Computers Limited
 Zenith Infotech Limited
 Zenith Controls and Systems Private Limited

Committee Membership :

Name of the Company	Name of the Committee
Mangalam Organics Limited	Audit Committee – Member Shareholder/ Investors Grievance Committee – Member Remuneration Committee – Member
Zenith Computers Ltd.	Audit Committee – Member Investors Grievance Committee – Member Remuneration Committee – Member
Zenith Infotech Ltd.	Audit Committee – Member Investors Grievance Committee – Member Remuneration Committee – Member Securities allotment Committee – Member

Shareholding in the Company : 2500 equity shares

E. Name : **Shri Kamalkumar Dujodwala**

Date of Birth: 01.04.1951

Qualification : Management

Shri Kamalkumar Dujodwala has gained the knowledge of handling the management of the Company.

Other Directorship :

Balaji Pine Chemicals Limited

Dujodwala Resins and Terpenes Limited

Pine Forest Products and Investments Limited

Remi Edelstahl Tubulars Limited

Indo Euro Securities Limited

Dujodwala Export Private Limited

Committee Membership :

Name of the Company	Name of the Committee
Mangalam Organics Limited	Audit Committee – Member
	Shareholder/ Investors Grievance Committee – Member
	Remuneration Committee – Member
Remi Edelstahl Tubulars Limited	Audit Committee – Member

Shareholding in the Company : Nil

15. Voting through Electronic means:

- I. In compliance with the Provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its members in respect of the businesses to be transacted at the 32nd Annual General Meeting (“AGM”). The Company has engaged the Services of Central Depository Services of India Limited (“CDSL”) as the authorised agency to provide e-voting facilities.
- II. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A member may avail of the facility at his /her/its discretion, as per the instruction provided herein.
- III. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on 08-08-2014.

Instructions : Log on to the e-voting website www.evotingindia.com

- (i) Click on “Shareholders” tab.
- (ii) Now, select the “Company Name” from the dropdown menu and click on “SUBMIT”
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL : 8 characters DP ID followed by 8 Digit Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar or R. Amit Kumar with Sr.No. 1 then enter RA00000001 in the PAN field. (For your password please refer to address sticker affixed on AGM report i.e. 2 character of your name and 8 digit of Serial Numbers.)
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the

image verification code and click on Forgot Password enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company /Depository participant(s)]:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- IV. If you are already registered with CDSL for e-voting then you can use your existing user ID, Password /PIN for casting your vote.
- V. The e-voting period commences on Saturday, 13th September, 2014(09:00 am IST) and ends on 15th September, 2014 (05:00 pm IST). During this period, Members of the Company, holding shares either in physical form or indematerialised form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- VI. The voting rights of members shall be in proportion to their share in the paid up equity share capital of the Company
- VII. Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
- VIII. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period, unlock the votes in the presence of at atleast 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.
- IX. 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, and on the website of CDSL 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Pursuant to the Provisions of Clause 49 of the Listing Agreement entered into with BSE Ltd., the Company had at various point of times appointed Shri. Narendra Goenka, Shri Rajkumar Saraf, Shri Rajkumar Jatia, and Shri Sharad Saraf, as an independent Directors of the Company who are liable to retire by rotation.

However, as per the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Company is required to have at least half of the total number of Directors as Independent Directors, who are liable to retire by rotation and can hold office for a term upto five consecutive years.

Shri. Narendra Goenka, Shri Rajkumar Saraf, Shri Rajkumar Jatia, and Shri Sharad Saraf have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Selection and Remuneration Committee has also recommended the appointment of these Directors as Independent Directors for a term of 5 years from the date of Annual General Meeting i.e. upto 18th September, 2014.

In the opinion of the Board, each of these Directors possesses appropriate skills, experience and knowledge and fulfils the conditions specified in the Act. The Rules framed there under and the Listing Agreement for appointment as Independent Director and they are independent of the Management. Accordingly Board recommends the Ordinary Resolutions at Item No. 6 to 9 for approval of the Members.

Brief resumes and conditions of appointment of the above Directors are open for inspection at the registered office of the company during office hours on all working days except public holidays between 10.00 a.m. and 12.00 noon upto the Annual General Meeting i.e. 19th September, 2014.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

None of the Directors, KMP and their relatives except above referred Directors and their relatives to the extent of their shareholding interest, if any, in the Company, is / are in any way concerned / interested in the Resolutions as the same is pertaining to their individual appointments.

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

Place : Mumbai

Date : 04.07.2014

DIRECTORS' REPORT

To,
The Members

The Directors present the 32nd Annual Report of Mangalam Organics Limited (formerly Dujodwala Products Limited) for the year ended 31st March, 2014.

FINANCIAL RESULTS

	2013-2014 Rupees in Lacs	2012-2013 Rupees in Lacs
Gross Sales including other Income	25384.34	23136.29
Add: Excise Duty Refund	0.00	0.00
Gross Profit before interest, Depreciation and Taxation	1973.38	1515.44
Interest	789.94	598.39
Depreciation	467.63	430.03
Provision for Taxation	215.00	98.00
Less: MAT Credit	0.00	40.70
Provision for deferred taxation	22.41	73.07
Tax Adjustment of earlier year	0.00	9.08
Net Profit for the year	478.40	347.58
Surplus brought forward from previous year	2689.00	2341.42
Balance Available for Appropriation	3167.40	2689.00
Appropriations		
a) General Reserve	--	--
b) Dividend	--	--
c) Dividend Tax	--	--
Balance carried forward to Balance Sheet	3167.40	2689.00

DIVIDEND:

With a view to conserve the resources in long run, your Directors have not recommended any dividend for the year ended 31st March, 2014.

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 2013-2014 (as compared to Rs. Nil in the previous financial year).

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW :

The Company is engaged in the manufacturing and selling activities of Camphor, Sodium Acetate and by products, Terpene Chemicals and Synthetics Resins at its Units located at Kumbhivali village, Taluka Khalapur, Khopoli, Dist: Raigad, Maharashtra.

REVIEW OF OPERATIONS:

During the year under review, the Company has achieved sales and other income of Rs.25384.34 Lacs as compared to (Rs. 23136.29 Lacs) during the previous year and the net profit has been increased to Rs. 478.40 Lacs as against (Rs. 347.58 Lacs) during the previous year mainly on account of better performance of the Company.

The Company has adequate production facilities with sole objective of providing quality products at reasonable price as well as satisfying the interest of all customers of the Company.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has put in place necessary internal control systems commensurate with its operations. Periodical checks are conducted and necessary remedial measures are adopted.

DIRECTORS

- a) Shri Narendra Goenka, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.
- b) Shri Kamalkumar Dujodwala, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Industrial relations continued to remain cordial at all the sections of manufacturing unit of the Company. The Directors acknowledge the support and co-operation from employees at all levels.

CORPORATE GOVERNANCE:

Your Company stand committed for better Corporate Governance, for accountability, transparency and disclosures. Independent supervision is kept to protect the interest of valued stake holders. The Company is committed for transparency in all dealings with the shareholders, employees, suppliers, Government, other parties and places, its high emphasis on business ethics. Your Company's basic philosophy of Corporate Governance is to achieve business excellence and enlarged long-term shareholders.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance as stipulated under clause 49 of existing listing agreement. A report on Corporate Governance in pursuant to the provisions of Clause 49 of the Listing Agreement supported by a certificate given by the statutory auditors of the Company confirming compliance of conditions, which forms part of this Annual Report.

FIXED DEPOSITS:

The Company has not accepted and or renewed any fixed deposits, during the year under review.

CHANGE OF NAME:

During the year, the Company applied for change of name of the Company from "Dujodwala Products Limited" to "Mangalam Organics Limited". The Company complied with all the requirements of the Companies Act and finally received a fresh certificate of incorporation for the change of its name on 9th October, 2013. Currently the Company is known as "Mangalam Organics Limited." The Company has given necessary information regarding change of name to Bombay Stock Exchange, where the shares of the Company are listed and also intimated to NSDL and CDSL respectively.

AUDITORS:

The Company's Auditors M/s. R Kabra & Company (Chartered Accountants) retires at the ensuing Annual General Meeting and are eligible for reappointment. M/s. R. Kabra & Company (Chartered Accountants) confirmed that their re-appointment, if made, shall be within the limits specified under section 141 of the Companies Act, 2013. The Audit Committee and the Board of Directors of the Company propose the re-appointment of M/s. R. Kabra & Company (Chartered Accountants) as statutory auditors of the Company and to hold office from the conclusion of this AGM till the conclusion of the next AGM and that the Board of Directors be and are hereby authorised to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditor.

COST AUDITOR AND COST AUDIT REPORT :

The Board of Directors has appointed Mr. Naresh Kumar Jethwani, Cost Accountant (Membership No. 18869) for the financial year 2013-2014. The Audit Committee recommended the appointment. Mr. Naresh Kumar Jethwani have confirmed that his appointment, if made, shall be within the limits specified under Section 141 of the Companies Act, 2013. The Cost Audit Report for the financial year 2012-2013 was due on 30th September, 2013. The Company filed the Cost Audit Report on 27th September, 2013.

AUDIT COMMITTEE:

The Board has constituted its Audit Committee in pursuant to the provision of Section 292A of the Companies Act,

1956 in line with the provisions of the Listing Agreement of the Stock Exchange. The Audit Committee of the Company presently comprises of the following members namely (1) Shri Sharad Saraf (2) Shri Rajkumar Saraf (3) Shri Kamalkumar Dujodwala.

AUDITOR'S REPORT:

The notes on the Accounts referred to the Auditor's Report are self explanatory and therefore do not require any further comments.

FOREIGN EXCHANGE EARNING AND OUTGO:

The Company has earned Rs. 2341.43 Lacs on account of Exports made on FOB basis during the year under review as against (Rs. 2190.72 Lacs) in the previous year. The Company has spent Rs. 14087.51 Lacs as against (Rs. 7216.74 Lacs) during the previous year on import of raw materials on CIF basis and Rs. 18.87 Lacs against (Rs. Nil Lacs) during the previous year towards traveling expenses during the year under review. The Company has also spent Rs. 1054.84 Lacs, previous year (Rs. 609.15 Lacs) for purchase of Traded Goods.

CONSERVATION OF ENERGY:

The particulars as prescribed under section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Form-A annexure-I forming part of this report.

PARTICULARS OF EMPLOYEES

There is no employee drawing the requisite remuneration, in terms of Section 217(2A) of the Companies Act, 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT

In pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 and based on the representations received from the operating management, the directors hereby confirm that:-

- (i) that in the preparation of the accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. The directors have confirmed that there are adequate control & systems for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the financial year ended on 31st March, 2014 on a "going concern" basis.

ACKNOWLEDGEMENTS:

Your Directors wish to thank the Government Authorities, Financial Institutions, Shareholders and Bankers for their continued support. They wish to place on record their appreciation for the dedicated services of the employees at all levels.

For and on behalf of the Board of Directors

Sd-

Kamalkumar Dujodwala
Chairman

Place: Mumbai

Date : 04.07.2014

ANNEXURE - 1 TO THE DIRECTOR'S REPORT

Form 'A'

Power and Fuel Consumption:

	Particulars	2013-14	2012-13
1.	Electricity Purchased		
	Units (Kwh/Lakh)	48.80	53.41
	Total Amounts (Rs./Lakh)	324.85	364.56
	Rate /Unit (Rs.)	6.66	6.82
2.	Furnace Oil / Light Diesel Oil		
	Quantity (Ltrs/Lakh)	2.26	2.41
	Total Cost (Rs./Lakh)	114.67	85.35
	Average Rate (Rs./Lakh)	50.74	35.41
3.	Coal		
	Quantity (Kgs.)	13368970	11726650
	Total Cost (Rs./Lakh)	737.72	654.35
	Average Rate (Rs. / Kg.)	5.52	5.58

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 constantly making efforts for improvement of quality and for marketing new ranges of products.

REPORT ON CORPORATE GOVERNANCE:

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

1. Companies philosophy on the Corporate Governance

The Company's Philosophy for Corporate Governance is aimed at efficient conduct of its business and ensured high standards of accountability and excellence in the service of all the stakeholders. The management believes that the principles of accountability, transparency and ethics as its business practice will enable it to achieve the long term objectives and goals.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under the Clause 49 of the Listing Agreement with the Stock Exchange.

2. Board of Directors

Composition, number of meeting and attendance

As on March 31, 2014, the Company has Six (6) Directors. Out of the Six (6) Directors, Four (4) are Non Executive and Independent Directors. The composition of Board of Directors is in conformity with Clause 49 of the Listing agreement entered into with the Stock Exchanges. None of the Non-Executive Directors are responsible for the day to day affairs of the Company.

None of the Directors on the Board are the Member of more than ten committees or chairman of more than five committees across all the public companies in which they are Director. Necessary disclosure regarding Committee positions in other public companies as on March 31, 2014 have been made by the Directors.

The names and categories of the Directors on the Board and their attendance at Board Meeting held during the year and the number of directorship and Committee Chairmanship/Memberships held by them in other public companies as on March 31, 2014 are given herein below.

Name of Director	Category of Director	No. of Directorship in other Indian Public Ltd Cos	No. of Chairmanship(s) / Membership(s) of committees in other Indian Public Companies	
			Chairmanship(s)	Membership(s)
Shri Kamalkumar Dujodwala	Chairman	5	Nil	1
Shri Pannkaj Dujodwala	Managing Director	2	Nil	Nil
Shri Narendra Goenka	Independent Director	Nil	Nil	Nil
Shri Rajkumar Saraf	Independent Director	3	Nil	7
Shri Rajkumar Jatia	Independent Director	Nil	Nil	Nil
Shri Sharad Saraf	Independent Director	5	Nil	Nil

Constitution of the Board and attendance record of Directors:

Five Board Meetings were held during the year and the gap between the two meetings did not exceed four months i.e. 12th May, 2013, 15th July, 2013, 25th July, 2013, 9th November, 2013 and 4th January, 2014 and the Director's attendance at the Board Meetings during the period and at last Annual General Meeting are given below :

Name of Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at last AGM
Shri Kamalkumar Dujodwala	5	5	YES
Shri Pannkaj Dujodwala	5	5	YES
Shri Narendra Goenka	5	5	No
Shri Rajkumar Saraf	5	5	No
Shri Rajkumar Jatia	5	5	No
Shri Sharad Saraf	5	5	No

The necessary quorum was present for all the meeting.

None of the Non-executive Directors have any material pecuniary relationship or transactions with the Company.

b) Code of Conduct

All the Directors and senior management personnel have affirmed compliance of the code of conduct of the Company during the financial year 2013-14. Declaration to this effect duly signed by the Managing Director of the Company is annexed hereto.

2. Committees of the Board
A. Audit Committee:

- I. The Audit Committee of the Company is constituted in line with the Provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange read with Section 292A of the Companies Act, 1956 ("Act").

II. Terms of reference of Audit Committee are broadly as under:

- i. To oversee Company's financial reporting / financial information / financial statements.
- ii. To review with management the Annual Financial Statement before submission to Board, focusing primarily on changes in accounting policies and practices.
- iii. To look into compliance with Stock Exchange and legal requirements concerning financial statements.
- iv. To review the external and internal management systems and internal control systems.
- v. To discuss with the Auditors periodically about internal control system, the scope of audit including the observations of the Auditors and review the half and annual financial statements before submission to the Board and also ensure compliance of internal control system.

The composition of the Audit Committee and the details of the meetings attended by its members are given below :

Name	Category	Number of Meetings during the year 2013-2014	
		Held	Attended
Shri Sharad Saraf	Independent, Non-executive	4	4
Shri Rajkumar Saraf	Independent, Non-executive	4	4
Shri Kamalkumar Dujodwala	Chairman- Executive	4	4

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

12th May, 2013, 15th July, 2013, 9th November, 2013 and 4th January, 2014.

The necessary quorum was present for all the meeting.

B. Shareholders/Investors Grievance Committee

- i. The Company has shareholders /Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports etc.
- ii. 12 meetings of the Shareholders / Investors Grievance Committee was held during the year
- iii. The composition of Shareholders / Investors Grievance Committee and the details of the meetings attended by its members are given below

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Shri Sharad Saraf	Independent, Non-executive	12	12
Shri Rajkumar Saraf	Independent, Non-executive	12	12
Shri Kamalkumar Dujodwala	Chairman- Executive	12	12

- iv. Details of Investor Complaints received and redressed during the year 2013-14 are as follows :

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	1 complaint	1 Complaint	Nil

IV. General Body Meetings

i. General Meeting

a. Annual General Meeting

Financial year	Date	Time	Venue
2010-2011	29th September, 2011	11.00 a.m.	Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli, Dist Raigad (Maharashtra)
2011-2012	27th September, 2012		
2012-2013	19th September, 2013		

b. Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the current financial year 2013-14.

c. Postal Ballot

No Postal Ballot was held during the current financial year 2013-14.

V. Disclosures

- i. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.
- ii. Details of non compliance by the Company, no penalties, strictures were imposed on the Company by Stock Exchanges or the Securities and Exchange Board of India or any matter related to capital markets during the last three financial years 2011-12, 2012-13 and 2013-14 respectively.
- iii. The Company has fulfilled the following non mandatory requirements as prescribed in Annexure I D to the clause of 49 of the Listing Agreement entered into with the Stock Exchanges :
 - a. A message from the Chairman and Managing Director on the half early financial performance of the Company including a summary of the significant events in the six months period ended September 30, 2013 was sent to every member during October, 2013.
 - b. The statutory financial statements of the Company are unqualified.
 - c. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.
- iv. Reconciliation of Share Capital Audit:
 A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited and the total issued and listed equity share capital . The audit report confirms that the total issued / paid capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

VI. Means of Communication :

The Quarterly, half yearly and annual result of the Company are published in two leading news papers in India which including one in English & other were in regional languages.

VII. General shareholder Information

Annual General Meeting	19-09-2014 at 11.00 Kumbhivali Village, Savroli Kharpada Road, Tal: Khalapur, Khopoli, Dist: Raigad, (Maharashtra).
Financial Calender The Financial year is 1 st April to 31 st March. For the year 2014-2015, the interim results will be announced as follows 30 th June, 2014 30 th September, 2014 31 st December, 2014 31 st March, 2015	On 4 th July, 2014 On or before 14th November, 2014 On or before 14 th February, 2015 On or before end of 30 th May, 2015
Date of Book Closure/ record	10-09-2014 to 19-09-2014
Listing of Equity shares on stock exchange	Bombay Stock Exchange (BSE)
Stock Code (BSE)	514418
Market Price Data	As per Table – I shown below
Registrar and Transfer Agent	Universal Capital Securities Private Ltd 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 93 T: +91 (22) 2820 7203-05 / 2825 7641 Fax : T: +91 22 2820 7207 Website : www.unisec.in
Share Transfer System	All the share transfers in respect of physical shares are handled by the Registrar and Share Transfer Agents. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Universal Capital Securities Pvt Ltd at the address mentioned hereinabove.
Distribution of Shareholding	As per Table – II, III and IV given below
Dematerialisation of shares and liquidity	Shares held in Demat form as on 31st March, 2014 With NSDL : 7285966 With CDSL : 750664 Physical : 1016050
Compliance Officer	Mr. Rajesh Mishra Mangalam Organics Limited 812/813, Tulsiani Chamber, Nariman Point, Mumbai- 21. Tel. No. 022-49204012 Fax No. 022-22841281 Email – rajeshmishra@mangalamorganics.com
Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity	NA
Plant Locations	Kumbhivali Village Savroli Kharpada Road, Taluka – Khalapur, Khopoli – 410 202 District Raigad, Maharashtra

TABLE -I
VIII. Market Price Data :

Month	High	Low	Total Number of Equity Shares Trade
April, 2013	12.60	9.05	3,50,167
May, 2013	11.25	7.71	2,95,359
June, 2013	10.80	8.10	7,13,633
July, 2013	12.80	9.50	71,942
August, 2013	11.81	9.50	81,835
September, 2013	10.80	9.51	2,23,321
October, 2013	15.40	10.50	2,33,502
November, 2013	16.45	14.95	9,320
December, 2013	16.00	14.95	17,077
January, 2014	20.20	12.90	8,56,293
February, 2014	17.15	13.85	2,50,747
March, 2014	16.45	12.70	55,90,047

TABLE -II
Shareholding as of 31st March 2014

DISTINCTIVE NUMBERS FROM 000000001 TO 0009052680

Description	Share-holders	% to total	No. of share holding	% of sharehold-ing to total	Shareholding in Rs.	% to total share-holding
UPTO - 500	10897	93.272	1464053	16.173	14640530.00	16.173
501 - 1000	407	3.484	314740	3.477	3147400.00	3.477
1001 - 2000	194	1.661	286641	3.166	2866410.00	3.166
2001 - 3000	49	0.419	127863	1.412	1278630.00	1.412
3001 - 4000	27	0.231	95383	1.054	953830.00	1.054
4001 - 5000	32	0.274	148068	1.636	1480680.00	1.636
5001 - 10,000	36	0.308	256493	2.833	2564930.00	2.833
10,001 AND ABOVE	41	0.351	6359439	70.249	63594390.00	70.249
Total	11683	100.000	9052680	100.000	90526800.0	100.000

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 31st March, 2014. 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: 9th May, 2014

AUDITORS' 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 (the Company), which comprise the Balance Sheet as at 31 March 2014 and the statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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 31 March 2014.
- b. In the case of the statement of profit and loss, 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have 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 Balance Sheet, statement of Profit and Loss, and Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act ;
 - e. On the basis of written representations received from the Directors as on 31 March 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For R. Kabra & Company
Chartered Accountants
Firm reg. number: 104502W

Place: Mumbai
Date: 09th May 2014

sd/-

R L Kabra
Partner
Membership No.: 016216

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, 2014.

Re: Mangalam Organics Limited (formerly Dujodwala Products Limited) (the Company) Re: Mangalam Organics Limited (formerly Dujodwala Products Limited) (the Company)

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 the 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 a verification on random basis but we cannot comment on its reasonability & therefore further we cannot comment on the material discrepancies.
- c. The Company has not disposed of any substantial part of fixed assets during the year so as to affect its going concern.
- 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 records of inventory. As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records and have been properly dealt with in the books of accounts.
- iii. a. As per the information and explanation given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 301 of the Companies Act, 1956. The number of such parties involved is 10 and the maximum balance during the year is Rs. 5,47,82,176/- and the closing balance as on year end is Rs. NIL.
- b. *Except Interest free loan*, other terms & conditions of loan given by the Company are prima facie not prejudiced to the interest of the Company.
- c. The receipt of principal amount and interest are on demand basis.
- d. As per the information and explanation given to us, the Company has taken unsecured loans from companies, firms, or other parties covered in the register maintained under section 301 of the

Companies Act, 1956. The number of such parties involved is 3 and the maximum balance during the year is Rs. 7,17,99,753/- and the closing balance as on year end is Rs 1,28,55,072/-. Out of the closing balance as on year end of Rs. 1,28,55,072/-, Rs. 1,25,66,400/- amount outstanding is pertaining to regular purchases done by the party.

- e. The loans taken are interest free and other terms & conditions of loan given by the Company are prima facie not prejudiced to the interest of the Company.
- f. The payment of principal amount and interest are on demand basis.

iv. In our opinion and according to the information and explanations given to us, 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 for 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. a. In our opinion and according to the information & explanation given to us, the particulars of or arrangement referred to in Section 301 of the act have been entered in the register required to be maintained under that section.

b. As explained to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directive issued by the Reserve Bank of India and provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rule, 1975 are not applicable.

vii. In our opinion, the *Company has an internal audit system through internal control system and the scope and coverage of which needs to be strengthened with the size and nature of the business of the Company.*

viii. The Central Government has prescribed maintenance of the cost records U/S 209(1)(d) of the Companies Act, 1956 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.

ix. 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.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues

were outstanding at the year end, for a period of more than six months from the date they became payable.

- c. 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	77,07,386	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	AY 2009-10	Income Tax Appellate Tribunal

- x. 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
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In our opinion, the Company is not regularly dealing in or trading in shares, securities, debentures and other investments other than of Long term in nature for which they have maintained proper records of the transactions & contract in respect of investment held by the Company. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. 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.

- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usage of the funds, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any secured debentures.
- xx. According to the information and explanations given to us the Company has not raised any money by public issue during the period covered by our audit report.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year nor we have been informed about such case by the management.

For R. Kabra & Company
Chartered Accountants
Firm reg. number: 104502W

Place: Mumbai
Date: 9th May 2014

sd/-

R L Kabra
Partner
Membership No.: 016216

BALANCE SHEET AS AT 31ST MARCH, 2014.

	NOTE NO.	31-03-2014 (Rs.)	31-03-2013 (Rs.)
EQUITY AND LIABILITIES:			
SHAREHOLDERS' FUNDS			
Share Capital	1	90,374,800	90,374,800
Reserves and Surplus	2	419,602,316	371,762,364
		509,977,116	462,137,164
Non-Current Liabilities			
Long-Term Borrowings	3	29,960,668	42,812,351
Deferred Tax Liability (Net)	4	64,911,726	62,670,789
Long Term Provisions	5	8,342,692	7,864,287
		103,215,086	113,347,427
CURRENT LIABILITIES			
Short-Term Borrowings	6	494,544,162	324,380,913
Trade Payables	7	325,368,743	325,689,330
Other Current Liabilities	8	156,175,826	178,400,646
Short-Term Provisions	9	2,175,114	1,325,025
		978,263,845	829,795,914
TOTAL		1,591,456,047	1,405,280,505
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
(i) Tangible Assets	10	498,128,095	503,932,515
(ii) Capital work-in-progress		--	12,537,302
Non-Current Investments	11	25,000	25,000
Long Term Loans and Advances	12	6,107,398	40,070,838
		504,260,493	556,565,655
CURRENT ASSETS			
Inventories	13	546,537,264	435,185,700
Trade Receivables	14	353,155,367	272,884,963
Cash and Cash Equivalents	15	46,484,269	42,939,150
Short-term Loans and Advances	16	140,879,218	87,423,552
Other Current Assets	17	139,436	10,281,485
		1,087,195,554	848,714,850
TOTAL		1,591,456,047	1,405,280,505

Significant accounting policies and notes to financial statements 1 to 44

Notes referred above forms integral part of the balance sheet

As per our report of even date attached

For R. KABRA & Company
 Chartered Accountants
 Sd-
 R. L. KABRA (Partner)
 M.No. 016216 / FRN. 104502W
 Place : Mumbai
 Dated: 9th May, 2014.

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, 2014.

	NOTE NO.	31-03-2014 (Rs.)	31-03-2013 (Rs.)
INCOME			
Revenue from operations	18	2,316,584,643	2,095,232,153
Other income	19	11,717,429	16,062,269
		2,328,302,072	2,111,294,422
EXPENSES			
Cost of materials consumed	20	1,560,252,712	1,585,673,669
Trading purchase	21	229,354,285	208,925,427
Changes in inventories of finished goods and work-in-process	22	15,455,843	(149,823,090)
Employee benefit expenses	23	84,078,898	76,760,532
Finance costs	24	78,993,826	59,839,151
Depreciation and amortization expenses	10	46,763,141	43,002,720
Other expenses	25	241,822,478	238,214,129
		2,256,721,183	2,062,592,538
Profit before tax & Exceptional Items		71,580,889	48,701,884
Exceptional Items		--	--
Profit before tax		71,580,889	48,701,884
TAX EXPENSE			
Current tax (MAT)		21,500,000	9,800,000
Less: MAT credit		--	4,070,459
Net current tax		21,500,000	5,729,541
Deferred tax		2,240,937	7,307,260
Tax adjustment of earlier years		--	907,566
Profit for the period		47,839,952	34,757,517
Earning per equity share [Nominal value of share Rs. 10 (31.03.2013 - Rs. 10)]			
Basic		5.28	3.84
Diluted		5.28	3.84

Significant accounting policies and notes to financial statements 1 to 44
 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
 Sd-
 R. L. KABRA (Partner)
 M.No. 016216 / FRN. 104502W
 Place : Mumbai
 Dated: 9th May, 2014.

For and on behalf of Board of Directors

sd/-	sd/-
Kamalkumar Dujodwala Chairman	Pannkaj Dujodwala Managing Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

31-03-2014 (Rs.) 31-03-2013 (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	152,000
	90,374,800	90,374,800

(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)

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 2014	No. of shares as on 31st March 2013
Opening as on 1st April 13	9,052,680	9,052,680
Add: Issued during the year	--	--
Closing as on 31st March 14	9,052,680	9,052,680

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

Name of the Shareholder	No. of shares as on 31st March 2014	% of Holding	No. of shares as on 31st March 2013	% of Holding
Indo Euro Securities Ltd.	1,829,417	20.21	1,794,885	19.73
Manisha Dujodwala	853,250	9.43	853,250	9.43
Alka Dujodwala	578,790	6.39	578,790	6.39
	3,261,457	36.03	3,226,925	35.55

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 2014:

- (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, 2014.
31-03-2014 (Rs.) 31-03-2013 (Rs.)
NOTE 2
RESERVES AND SURPLUS:
A) CAPITAL RESERVE:

Balance as per last balance sheet	7,025,984	7,025,984
Add: During the year	--	--
Balance at the end of the year	7,025,984	7,025,984

B) Securities Premium Account :-

Balance as per last balance sheet	80,844,677	80,844,677
Add: During the year	--	--
Balance at the end of the year	80,844,677	80,844,677

C) General Reserve :-

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	14,991,838	14,991,838

D) Surplus :-

Balance as per last balance sheet	268,899,865	234,142,348
Add: Profit for the period	47,839,953	34,757,517

Less: Appropriations:

Transferred to general reserve during the year	--	--
--	----	----

Balance at the end of the year	316,739,817	268,899,865
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Total of (A+B+C+D)	419,602,316	371,762,364
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NOTE 3
LONG TERM BORROWING
Term Loans:
Secured Loans - From Banks
From Saraswat Co.Op. Bank Limited

Rupee term loan *	19,553,665	25,324,158
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Repayable after a moratorium period of 12 months.
 Repayable in 71 monthly installments of Rs. 475000/- each
 and 41 installments are outstanding at the year end.

Rupee term loan - I *	--	223,318
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Repayable in monthly installments of Rs. 123100/- each &
 Nil installments are outstanding at the year end.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

	31-03-2014 (Rs.)	31-03-2013 (Rs.)
Rupee term loan - II *	7,578,401	16,144,028

Repayable in 60 monthly installment of Rs. 705000/- each & 23 installments are outstanding at the year end.

NOTE 3.1

*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.

Vehicle Loan	2,828,602	1,120,847
(Secured against Vehicle financed and personal guarantee of Shri. Pannkaj Dujodwala, Director of the Company)	29,960,668	42,812,351

Maturity Profile of Secured Loans

Name of the Shareholder	Rupees Loan from Bank	Vehicle Loan from Bank	Total
F.Y. 2015-16	9,137,585	2,002,345	11,139,930
F.Y. 2016-17	15,637,200	826,257	16,463,457
F.Y. 2017-18	1,477,200	--	1,477,200
F.Y. 2018-19	880,081	--	880,081
Total:-	27,132,066	2,828,602	29,960,668

NOTE 4

DEFERRED TAX LIABILITY (NET)

A) Deferred tax liability

Related to Depreciation and Amortisation of Fixed Assets	69,343,362	65,652,261
	69,343,362	65,652,261

B) Deferred Tax Assets

Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961.	4,431,636	2,981,472
	4,431,636	2,981,472
Total (A - B)	64,911,726	62,670,789

NOTE 5

LONG TERM PROVISIONS

For Employee benefits:

Provision for gratuity (refer note 35)	7,277,440	7,150,658
Provision for leave encashment (refer note 35)	1,065,252	713,629
	8,342,692	7,864,287

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.
31-03-2014 (Rs.) 31-03-2013 (Rs.)
NOTE 6
SHORT TERM BORROWING
Loans repayable on demand

Cash Credit from The Saraswat Co.-Op. Bank Ltd. **	283,273,665	278,409,808
Working capital loan** (includes buyers credit, pre-shipment / post shipment credit)	211,270,497	45,971,105
	<u>494,544,162</u>	<u>324,380,913</u>

NOTE 6.1

- a) Secured against hypothecation of Inventories and book debts of the Company.
- b) Equitable mortgage of Factory Land and Building at Kumbhivali village, Savroli Kharpada Road, Tal. Khalapur, Khopoli - 410202, Dist. Raigad, Maharashtra.
- c) Hypothication of Plant and Machinery.
- d) 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	325,368,743	325,689,330
	<u>325,368,743</u>	<u>325,689,330</u>

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 8
OTHER CURRENT LIABILITIES

Current maturities of long term debts (refer note no.3 & 3.1)	22,999,615	26,029,492
Unpaid dividend	1,068,345	1,094,645
<u>Other payables:</u>		
TDS payable	989,812	889,129
Sales tax payable	1,864,290	1,427,977
Other statutory dues payable	365,197	336,368
Excise duty payable on closing stock of finished goods	12,924,672	17,241,326

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

	31-03-2014 (Rs.)	31-03-2013 (Rs.)
Sundry Creditors	27,750,410	41,287,419
Advance from customers	48,898,682	12,831,837
Loans & advance from related parties	12,855,072	43,512,514
Deffered Sales Tax Liability (refere Note No. 33)	5,580,715	--
Salaries payable	5,370,866	4,617,982
Advance from Contractors/ Service providers	2,662,072	5,425,304
Bill discounting	12,846,079	23,706,653
	<u>156,175,826</u>	<u>178,400,646</u>

NOTE 9

SHORT TERM PROVISIONS

For Employee benefits:

Provision for gratuity (Note No. 35)	2,175,114	1,325,025
Other provisions	--	--
	<u>2,175,114</u>	<u>1,325,025</u>

MANGALAM ORGANICS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

NOTE - 10

TANGIBLE ASSETS:

	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT			
	As on 01.04.13	Addition/ adjustment	Deduction/ adjustment	As on 31.03.14	Upto 1.04.13	For the Year	Deduction/ Adjustment	Upto 31.03.14	As on 31.03.14	As on 31.03.13
Land	15,683,087	-	-	15,683,087	-	-	-	-	15,683,087	15,683,087
Residential Premises	5,435,483	-	-	5,435,483	2,471,095	88,598	-	2,559,693	2,875,790	2,964,388
Factory Building	106,604,636	381,646	-	106,986,282	44,580,876	3,556,000	-	48,136,876	58,849,407	62,023,760
Plant and Machinery	697,664,921	35,916,335	-	733,581,256	299,805,477	39,815,896	-	339,621,373	393,959,883	397,859,444
Vehicles	20,887,848	4,212,712	2,737,951	22,362,609	9,213,934	1,988,138	1,106,073	10,095,999	12,266,609	11,673,914
Furniture & Fixture	7,174,339	188,174	-	7,362,513	3,427,028	464,200	-	3,891,228	3,471,285	3,747,311
Computers	2,254,402	568,662	-	2,823,064	1,352,047	324,885	-	1,676,932	1,146,132	902,355
Office Equipment	28,060,008	1,323,071	-	29,383,079	19,197,543	519,456	-	19,716,999	9,666,080	8,862,465
Office Premises	366,131	-	-	366,131	150,341	5,968	-	156,309	209,822	215,790
Total	884,130,856	42,590,599	2,737,951	923,983,504	380,198,341	46,763,141	1,106,073	425,855,409	488,128,095	503,932,515
Previous year	773,176,141	110,954,715	-	884,130,856	336,150,358	43,002,720	1,045,263	380,198,341	503,932,515	437,025,783
Capital work in progress	-	-	-	-	-	-	-	-	-	12,537,302

Note: There are no Pre-operative expenses included in capital-work-in-progress

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

31-03-2014 (Rs.) 31-03-2013 (Rs.)

NOTE - 11				
<u>NON - CURRENT INVESTMENT</u>				
(Valued at cost unless otherwise stated)				
(Unquoted, non-trade)				
Saraswat Co.Op. Bank Ltd.,			25,000	25,000
Face value	No. of shares	Amount	25,000	25,000
Rs. 10/-	2500	Rs. 25000/-		
(Aggregate amount of unquoted investment)			25,000	25,000
(Provision made for diminution in value of investment)			--	--
NOTE - 12				
<u>LONG - TERM LOANS AND ADVANCES</u>				
(Unsecured, considered good)				
Capital advances			2,534,459	3,577,367
Security deposits			1,808,994	1,594,932
Sales Tax Deferment (refere Note No.33)			1,763,946	--
Loans and advances to related parties			--	34,898,540
			6,107,398	40,070,838
NOTE - 13				
<u>INVENTORIES</u>				
(As taken, valued and certified by the Management)				
Raw materials			202,544,229	77,608,735
Material in transit			3,087,625	--
Work-in-process			89,678,330	87,198,050
Finished goods			238,360,965	256,297,088
Stores and spares			7,476,884	5,911,174
Power & fuel			3,674,696	6,626,002
Packing materials			1,714,535	1,544,651
			546,537,264	435,185,700
NOTE - 14				
<u>TRADE RECEIVABLES</u>				
Outstanding for more than 6 months				
Considered good			25,112,751	13,425,673
Considered doubtful			3,141,114	--
			28,253,865	13,425,673
Less Provision for Doubtful debts			3,141,114	--
			25,112,751	13,425,673
Outstanding for less than 6 months			328,042,615	259,459,290
			353,155,367	272,884,963

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.
31-03-2014 (Rs.) 31-03-2013 (Rs.)

	31-03-2014 (Rs.)	31-03-2013 (Rs.)
NOTE - 15		
<u>CASH AND BANK BALANCES</u>		
CASH AND CASH EQUIVALENTS		
Balance with banks	14,305,921	8,890,641
Cash on hand	824,159	932,637
	<u>15,130,080</u>	<u>9,823,279</u>
OTHER BANK BALANCES:		
Balance in unpaid dividend account	1,083,845	1,109,845
Margin money deposits (Fixed deposits pledged with bank)	30,270,344	32,006,026
	<u>31,354,189</u>	<u>33,115,871</u>
	<u>46,484,269</u>	<u>42,939,150</u>
NOTE 16		
<u>SHORT TERM LOANS AND ADVANCES</u>		
(Unsecured, considered good)		
Advance to Suppliers	44,068,327	18,463,587
Advance to Staff	202,708	55,911
VAT Refund receivable	21,120,875	16,882,834
Insurance Claim Receivable (refer Note No.29)	16,500,500	--
Sales Tax Defferment (refer Note No. 33)	3,816,769	--
Export Benefit / SAD Refund receivable	1,492,418	--
Deposits (incl. telephone, Godown/Office Rent)	764,761	4,036,142
Un-used DEPB Licence	3,901,316	--
Balance with excise authorities	42,044,907	46,094,948
Advance Income Tax & TDS (net of provisions)	6,966,637	1,890,130
[includes provision for tax C.Y. Rs. 21500000/- (PYrs. 102050000/-) and TDS C.Y. Rs. 370/- (PYrs. Rs. 1130573/-)]		
	<u>140,879,218</u>	<u>87,423,552</u>
NOTE 17		
<u>OTHER CURRENT ASSETS</u>		
Prepaid expenses	139,436	205,348
MAT Credit entitlement	--	10,076,137
	<u>139,436</u>	<u>10,281,485</u>
NOTE 18		
<u>REVENUE FROM OPERATIONS</u>		
<u>Sale of Products</u>		
Local Sales	2,042,521,454	1,864,742,860
Less: Excise duty	210,132,136	205,236,274
	<u>1,832,389,318</u>	<u>1,659,506,586</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

	31-03-2014 (Rs.)	31-03-2013 (Rs.)
Export Sales	248,158,448	232,396,754
Trading Sales	236,036,877	203,328,813
	2,316,584,643	2,095,232,153
NOTE 19		
<u>OTHER INCOME</u>		
Excise - SAD refund / Exchange Fluctuation	2,607,152	286,322
Dividend on non current investments	2,500	5,000
Interest on FDR & others	4,309,348	2,901,946
Export benefit	2,212,161	1,865,846
Miscellaneous income	2,586,268	11,003,155
	11,717,429	16,062,269
NOTE 20		
<u>COST OF MATERIALS CONSUMED:</u>		
Inventory at the beginning of the year	77,608,735	333,849,737
Add: Purchase	1,688,275,831	1,329,432,667
	1,765,884,566	1,663,282,404
Less: Inventory at the end of the year	205,631,854	77,608,735
Cost of materials consumed	1,560,252,712	1,585,673,669
NOTE 21		
<u>TRADING PURCHASE</u>		
Trading purchases (Stock in trade Purchase)	229,354,285	208,925,427
	229,354,285	208,925,427
NOTE 22		
<u>(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS</u>		
<u>WORK-IN-PROCESS AND TRADING (STOCK IN TRADE)</u>		
Inventories at the end of the year		
Work-in-progress	89,678,330	87,198,050
Finished goods & Trading goods	238,360,965	256,297,088
	328,039,295	343,495,138
Inventories at the beginning of the year		
Work-in-progress	87,198,050	64,448,650
Finished goods & Trading goods	256,297,088	129,223,398
	343,495,138	193,672,048
	15,455,843	(149,823,090)
NOTE 23		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Salaries, wages and bonus	75,247,683	67,571,693
Directors remuneration	2,400,000	4,559,790

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

	31-03-2014 (Rs.)	31-03-2013 (Rs.)
Contribution to Provident Fund and other funds	1,322,957	1,191,303
Gratuity expenses	1,719,885	1,219,415
Staff welfare expenses	3,388,373	2,218,330
	84,078,898	76,760,532
NOTE 24		
<u>FINANCE COSTS:</u>		
On term loan	8,168,605	11,886,773
On other facilities	42,280,889	40,940,823
Interest to others	1,804,851	179,354
Bank and LC charges	26,739,481	6,832,201
	78,993,826	59,839,151
NOTE 25		
<u>OTHER EXPENSES</u>		
Manufacturing expenses:		
Consumption of Stores and Spare parts	2,095,718	1,620,204
Power and Fuel	117,724,044	110,426,406
Consumption of Packing Materials	13,226,503	14,048,834
Boiler expenses	3,556,216	3,693,208
Repairs to:		
Building & Others	2,100,240	1,551,441
Machinery	7,883,735	5,898,011
(Increase) / decrease in Excise Duty on closing stock of Finished Goods	(4,316,654)	11,184,479
(A)	142,269,804	148,422,581
Administrative and other expenses:		
Export expenses	15,658,795	19,503,058
Freight and Forwarding	34,723,759	35,419,212
Foreign exchange fluctuation (net)	--	1,387,181
Insurance	1,516,696	1,747,290
Legal and professional fees	3,138,467	1,344,060
Loss on sale Fixed Assets	1,294,101	--
Rebate and discounts on sales	3,465,366	89,865
Rates and Taxes	12,348,854	3,532,974
Traveling & Conveyance	7,807,221	5,232,959
Doubtful Debts	3,141,114	--
Miscellaneous expenses	15,858,301	20,952,948
Payment to auditor:		
Audit fees	500,000	250,000
Tax audit fees	100,000	332,000
(B)	99,552,674	89,791,548
Total (A + B)	241,822,478	238,214,129

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

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, 1956. 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 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 as per the straight line method (SLM) at the rate and in the manner prescribed in schedule XIV of the Companies act, 1956 on prorata basis. Fixed Assets are capitalized at cost inclusive of expenses and interest wherever applicable.
- 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 acceptance by the 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 capitalised as part of the cost of such assets for the period until the asset is ready for its intended use. Other borrowing costs are recognised 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:

i.	31 st March 2014 (Rs.)	31 st March 2013 (Rs.)
Bank Guarantee	38,76,420	41,21,420

Bank guarantees issued by banks on behalf of the Company Rs. 38.76 Lacs (Previous Year Rs 41.21 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. 25,31,459/- (P.Y. Rs. 35,77,367/-)

iii. **Excise Duty**

	31 st March 2014 (Rs.)	31 st March 2013 (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

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 last 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 by it 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, hence no provision has been made in books of account. Further show cause notice for the period December 04 to September 05 for Rs 81,44,105/- have been received, and the same is pending before the Commissioner of Central Excise & Custom for adjudication, not provided for in books of account.

iv. **Claim not acknowledged**

	31 st March 2014 (Rs.)	31 st March 2013 (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. 30,15,58,334/- (P.Y. Rs. 24,89,89,815/-)

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.

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. 2481.58 Lacs (P.Y.Rs. 2323.96 Lacs) out of Total Turnover of Rs.23165.85 Lacs (P.Y.Rs.20952.32 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. 1,65,00,500 (P.Y. Rs. Nil) of Insurance claim receivable on account of claims lodged on insurance companies due to fire and other losses suffered of Company's various assets from the fire as on 29th January, 2014. The said claims are under active consideration of the Insurance Company.
30. 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.7,90,53,366/- which is under negotiation with the party and same shall be dealt as per RBI guidelines.
31. 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.129.24 Lacs (Rs.172.41 Lacs).

32. Earnings per share (EPS)

Sl. No.	Description	31 st March 2014	31 st March 2013
a)	Weighted average number of equity Shares of Rs.10/- each		
	i) 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	47,839,952	3,47,57,517
c)	Basic Earnings per Equity Share (in Rupees)	5.28	3.84
	Diluted Earning per Equity Share (in Rupees)	5.28	3.84

33. 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 year the amount created is Rs. 55,80,715/- is credited as Sales Tax deferment Liability which is pending & the same amount is debited as Sales Tax Deferment Asset which will be nullified as & when it is paid and debited to Statement of Profit & Loss in the coming years. During the current year Rs.56,43,730/- Is paid as Sales Tax Deferment and debited to Statement of Profit & Loss since taken as income in the earlier years as per the management.

34. 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 31-03-2014.

(Rs. In Lakhs)

Nature of Transaction	Remuneration		Total	
	2013-14	2012-13	2013-14	2012-13
Key management personnel	24	45.59	24	45.59
TOTAL	24	45.59	24	45.59

Nature of Transaction	Loan taken		Loan given	
	2013-14	2012-13	2013-14	2012-13
Associate Company				
Maximum balance	444.56	435.12	547.82	348.98
Closing balance	2.89	435.12	Nil	348.98

Nature of transaction	2013-14	2012-13
Sale of Goods		
Associates	273.43	27.52

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

35. 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, 2014	For the year ended March 31, 2013
Employers Contribution to Provident Fund	13,22,957/-	11,91,303/-

(ii) Defined Benefit Plan
 Gratuity Fund:

a. Major Assumptions	For the year ended March 31, 2014	For the year ended March 31, 2013
	(% p.a.)	(% p.a.)
Discount Rate	9.15	8.05
Expected Rate of Return on Plan Assets	8.00	8.00
Salary Escalation Rate	5.00	5.00
Attrition Rate	2.00	2.00
@ The estimates for the future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
b. Change In the Present Value of Obligation		
Present Value of Obligation as at 1 st April	84,75,683	72,56,268
Current Service Cost	1,041,305	9,83,532
Interest Cost	678,580	6,34,923
Benefit Paid	(92,238)	-
Actuarial Loss on Obligations	(7,40,008)	(3,99,040)
Present Value of Obligation as at 31 st March	9,363,322	84,75,683
c. Change in Fair Value of Plan Assets		
Present Value of Plan Assets as at 1 st April	-	-
Expected Return on Plan Assets	-	-
Actuarial (Loss) on Plan Assets	-	-
Contributions	92,238	-
Benefits paid	(92,238)	-
Present Value of Plan Assets as at 31 st March	-	-
d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Present value of Funded Obligation as at March 31, 2014	9,363,322	84,75,683
Fair Value of Plan Assets as at March 31, 2014	-	-
Funded Status	(9,363,322)	-
Present Value of Unfunded Obligation as at March 31, 2014	9,363,322	84,75,683
Unfunded Net Liability Recognised in the Balance Sheet Disclosed in long term provisions	9,363,322	84,75,683
e. Amount Recognised in the Balance Sheet		
Present Value of Obligation as at March 31, 2014	9,363,322	84,75,683
Fair Value of Plan Assets as at March 31, 2014	-	-
Liability Recognised in the Balance Sheet and disclosed under long term provisions	9,363,322	84,75,683
f. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	1,041,305	9,83,532
Interest Cost	678,580	6,34,923
Expected Return on Plan Assets	-	-
Net Actuarial Losses Recognised in the Statement of Profit and Loss	(740,008)	(3,99,040)
Total expenses Recognised In the Statement of Profit and Loss	979,877	12,19,415
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 : 9.15% 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 a ailment 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	:	233
Total Monthly Basic Salary	:	Rs. 2513454/- Leave Balances : 5922 days

Valuation Results

Actuarial Value of Leave Encashment

 Benefits as on 31st March, 2014 in

 Rs. 11,54,484/-

respect of 233 Employees of the Company

BREAK-UP OF ABOVE	:	Current Liability	Rs.	89,232/-
		Non Current Liability	Rs.	10,65,252/-

36. Expenditure in Foreign Currency on account of

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Raw Material (CIF)	14087.51	7216.74
Traveling Expenses	16.87	Nil
Purchase of Trading Goods	1054.84	609.15

37. Earning in Foreign Currency on Account of

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Exports made on FOB Basis	2341.43	2190.72

38. 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.

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

40. 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.
41. 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.
42. Previous year figures have been regrouped, rearranged and reclassified, wherever necessary, to conform to current year's presentation.
43. The quantitative and other details as required under para 3 and 4 of Part II of the Schedule VI of the Companies Act, 1956 are annexed here to as per Annexure 'A'
44. The details as required under Part- IV of the schedule VI of the Companies Act, 1956 as amended are given as per Annexure-B.

AS PER ANNEXED REPORT OF EVEN DATE

For R Kabra & Co.
CHARTERED ACCOUNTANTS

Sd-
R L KABRA
PARTNER
Mem. No. – 016216
Place : Mumbai
Dated: 9th May, 2014.

For and on behalf of Board of Directors

Sd-
Kamalkumar Dujodwala
Chairman

Sd-
Pannkaj Dujodwala
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH, 2014.

	For the year ended March 31, 2014	For the year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	71,580,889	48,701,884
Adjustment For :		
Depreciation	46,763,141	43,002,720
Interest Income	(4,309,348)	--
Dividend received	(2,500)	--
Interest	78,993,826	56,937,206
Loss on sale of Fixed Assets	1,294,101	--
Operating Profit before working capital changes	194,320,109	148,641,810
Adjustment For :		
Trade & Other Receivables	(94,620,581)	(2,149,600)
Inventories	(111,351,564)	103,754,775
Trade and other Payables	(21,216,913)	36,085,413
Cash generated from operations	(32,868,949)	286,332,398
Income tax Paid	(16,500,000)	(12,500,000)
Net Cash from Operating Activities - I	(49,368,949)	273,832,398
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(30,053,297)	(88,518,733)
Interest Income	4,309,348	--
Dividend Received	2,500	--
Sale of Fixed Assets	337,777	--
Net Cash used in Investing Activities - II	(25,403,672)	(88,518,733)
C. Cash Flow from financing activities		
Proceeds from conversion of warrants into equity shares	--	--
Proceeds from Short Term Borrowings	170,163,249	(85,671,288)
(Repayment)/ proceed of/ from long term borrowings	(12,851,684)	(30,464,617)
Premium on conversion of warrants into equity shares	--	1,077,700
Interest Paid	(78,993,826)	(56,937,206)
Payment of sales tax defferement loan	--	(11,041,222)
Net cash generated from financing activities - III	78,317,740	(183,036,633)
Net Increase in Cash and Cash Equivalents	3,545,119	2,277,033
Opening balance of cash & cash equivalents	42,939,150	40,662,117
Closing balance of cash & cash equivalents	46,484,269	42,939,150

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.

R. KABRA & Company
 Chartered Accountants
 R. L. KABRA (Partner)
 M.No. 016216 / FRN. 104502W
 Place : Mumbai
 Dated: 9th May, 2014.

For and on behalf of Board of Directors

Sd-
Director

Sd-
Director

ANNEXURE TO SR. NO.3 OF SCHEDULE
A) VALUE AND QUANTITY BREAK-UP OF OPENING AND CLOSING STOCK
OF EACH CLASS OF GOODS DEALT WITH BY THE Company

	Current Year		Previous Year	
	2013-14		2012-13	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
a) <u>Manufactured</u>				
i) Opening Stock				
Camphor & By Products	782.050	1784.65	395.597	549.75
Synthetic & P.F. Resin	339.845	478.22	1905.532	513.74
Rosin, R.Resin & Others	31.458	38.54	16.450	23.17
ii) Closing Stock				
Camphor & By Products	577.423	1559.84	782.050	1784.65
Synthetic & P.F. Resin	217.341	600.01	339.845	478.22
Rosin, R.Resin & Others	26.790	29.03	31.458	38.54
iii) Shortage	0	0	0	0
b) <u>Trading</u>				
i) Opening Stock				
Rosin & other Chemicals	358.599	261.56	151.867	205.57
Camphor & By Products	0	0	0	0
ii) Closing Stock				
Rosin & other Chemicals	242.245	194.73	358.272	261.56
Camphor & By Products	0	0	0	0
iii) Shortage	0	0	0	0

B) Quantity and Sales Value of Each Class of Goods dealt with by the Company

	Current Year		Previous Year	
	2013-14		2012-13	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
a) <u>Manufactured</u>				
Camphor & By Products	9828.963	15342.08	9506.706	12590.23
Synthetic & P.F. Resin	3881.609	4920.10	6887.444	5845.76
Rosin, R.Resin & Others	445.678	543.30	475.273	483.04
b) <u>Trading</u>				
Rosin & other Chemicals	2009.367	2360.37	1833.790	2033.29
Camphor & By Products	0	0	0	0

C) Information in respect of Raw Material Consumed and Trading Purchase

	Current Year		Previous Year	
	2013-14		2012-13	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
a) <u>Manufactured</u>				
Terpene Chemicals	9718.220	9528.60	8148.172	8741.33
Phenol & Others	5104.185	6073.90	6515.983	7115.41
b) <u>Trading</u>				
Rosin & other Chemicals	1893.013	2293.54	2040.195	2089.25
Camphor & By Products	0	0	0	0

C) Information in respect of each class of Goods Manufactured.

	Current Year	Previous Year
	2013-14	2012-13
	Quantity MT	Quantity MT
Camphor & By Products	9624.336	9863.159
Synthetic & P.F. Resin	3759.105	5321.757
Rosin & other Chemicals	441.010	490.281

Note: sales & quantity includes net of unit / inter unit transfer

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 32nd Annual General Meeting of the Company to be held on Friday, 19th September, 2014 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.

Re. 1/-
Revenue
Stamp

Signed

Date

Notes:

- 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 32nd Annual General Meeting being held on Friday, 19th September, 2014 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.

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

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

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MANGALAM ORGANICS LIMITED

812, Tulsiani Chambers,

Nariman Point,

Mumbai – 400 021.

India.



32nd Annual Report 2013-2014

MANGALAM ORGANICS LIMITED
(Formerly Dujodwala Products Ltd.)