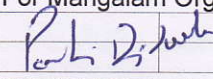


AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2018

| Sr. No. | | Rs. In Lacs | | | | |
|----------------|--|------------------|-----------------|-----------------|------------------|------------------|
| | | Quarter ended on | | | Year ended on | |
| | | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | | Audited | Audited | Audited | Audited | Audited |
| 1 | Income | | | | | |
| | [a] Revenue from operations | 5,642.39 | 7,836.15 | 4,953.61 | 24,423.74 | 19,669.70 |
| | [b] Other Income | 48.76 | 25.73 | 17.64 | 124.67 | 67.71 |
| | Total Income [1a + 1b] | 5,691.15 | 7,861.88 | 4,971.25 | 24,548.41 | 19,737.41 |
| 2 | Expenses | | | | | |
| | [a] Cost of material consumed | 4,479.17 | 4,446.90 | 2,180.70 | 16,849.45 | 10,682.66 |
| | [b] Purchase of stock-in-trade | 74.54 | 73.27 | - | 241.64 | 194.37 |
| | [c] Change of inventories of finished goods, work in process and stock-in-trade | (725.54) | 1,268.58 | (78.97) | 51.91 | 1,494.85 |
| | [d] Excise duty | - | - | 502.11 | 340.92 | 2,019.11 |
| | [e] Employee benefit expenses | 367.02 | 349.24 | 242.86 | 1,248.07 | 881.02 |
| | [f] Finance cost | 30.37 | 40.38 | 83.49 | 256.27 | 446.34 |
| | [g] Depreciation and amortisation expenses | 182.63 | 174.01 | 125.91 | 550.28 | 529.69 |
| | [h] Other expenses | 715.31 | 1,006.52 | 2,010.61 | 3,170.98 | 3,192.69 |
| | Total Expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h) | 5,123.50 | 7,358.90 | 5,066.71 | 22,709.52 | 19,440.73 |
| 3 | Profit/(Loss) before exceptional Items / and tax (1-2) | 567.65 | 502.98 | (95.46) | 1,838.89 | 296.68 |
| 4 | Exceptional items | - | - | - | - | - |
| 5 | Profit / (loss) before tax (3-4) | 567.65 | 502.98 | (95.46) | 1,838.89 | 296.68 |
| 6 | Tax expenses | | | | | |
| | Current Tax | 260.00 | 440.00 | 90.00 | 700.00 | 90.00 |
| | Deffered tax (Income) / Expenses | 12.05 | (318.72) | (276.69) | (306.67) | (276.69) |
| 7 | Other comprehensive Income (net of tax) | (12.45) | (0.78) | (6.14) | (13.23) | (6.14) |
| 8 | Total Comprehensive Income for the period (Net of Tax) (5-6+7) | 283.15 | 380.92 | 85.09 | 1,432.33 | 477.23 |
| 9 | Paid-up equity share capital [Face Value of each share Rs.10/-] | 905.27 | 905.27 | 905.27 | 905.27 | 905.27 |
| 10 | Earnings Per Share in Rs. (nominal value of share of Rs. 10/- each) Basic & Diluted - Not annualised | 3.13 | 4.21 | 0.94 | 15.82 | 5.27 |
| NOTES : | | | | | | |
| 1] | The above Audited Financial Results were reviewed by the Audit Committee and thereafter were approved by the Board of Directors of the Company at its meeting held on 19th May, 2018. The statutory auditors have carried out the audit of the above financial results. | | | | | |
| 2] | Post applicability of Goods and Service Tax (GST) w.e.f. 1st July 2017, revenue from operations are disclosed net of GST. Accordingly the revenue from operations and excise duty expenses for the quarter and year ended on 31.03.2018 are not comparable with previous periods presented in the results. | | | | | |

| | | | |
|----|---|--|-------------------------|
| 3] | The financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April 2017, the Company has for the first time adopted IND-AS with transition date of 1st April, 2016. | | |
| 4] | During the quarter, we have not received any investor's complaints and there were no investors complaints pending for redressal at the end of the quarter. | | |
| 5] | The segment-wise reporting as defined in Ind-AS-108 is not applicable since the Company has only one reportable segment 'Chemicals'. | | |
| 6] | Reconciliation of net profit as previously reported on account of transition from the previous Indian GAAP (IGAAP) to Ind-AS for the quarter and year ended 31st March, 2017. | | |
| | | (Rs. In Lakhs) | |
| | Particulars | Quarter ended 31-Mar-17 | Year ended 31-Mar-17 |
| | Net profit after tax under erstwhile Indian GAAP | 85.09 | 477.24 |
| | Other Comprehensive Income (net of Income Tax) | (6.14) | (6.14) |
| | Net profit before Other Comprehensive Income (OCI) as per Ind-AS | 91.23 | 483.38 |
| 9] | Corresponding figures of the previous period have been re-grouped / re-arranged wherever necessary to make them comparable. | | |
| | | For Mangalam Organics Limited | |
| | |  | |
| | Place : Mumbai | Pannkaj Dujodwala | |
| | Date : 19th May, 2018 | Managing Director | |



| STATEMENT OF ASSETS & LIABILITIES | | | |
|-----------------------------------|---|------------------------------|------------------------------|
| Particulars | | As on 31st March, 2018 | As on 31st March, 2017 |
| ASSETS | | | |
| (1) | Non-current assets | | |
| | (a) Property, Plant and Equipment | 3,285.80 | 3,222.71 |
| | (b) Capital work-in-progress | 105.79 | 7.96 |
| | (c) Investment Property | - | - |
| | (d) Intangible assets | - | - |
| | (e) Financial Assets | - | - |
| | (i) Investments | 0.25 | 0.25 |
| | (ii) Loans | 339.52 | 527.61 |
| | (iii) Other financial assets | 347.28 | 352.05 |
| | (f) Other non-current assets | - | - |
| | | 4,078.63 | 4,110.57 |
| (2) | Current assets | | |
| | (a) Inventories | 3,391.80 | 3,753.82 |
| | (b) Financial Assets | - | - |
| | (i) Investments | 50.69 | - |
| | (ii) Trade receivables | 2,386.33 | 1,724.12 |
| | (iii) Cash and cash equivalents | 617.97 | 108.31 |
| | (iv) Bank balances & other than (iii) above | 479.57 | 10.84 |
| | (v) Other financial assets | 817.11 | 1,626.64 |
| | (c) Other current assets | 1,097.43 | 1,202.36 |
| | | 8,840.91 | 8,426.10 |
| | Total Assets | 12,919.54 | 12,536.67 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| | (a) Equity Share capital | 905.27 | 905.27 |
| | (b) Other Equity | 5,215.91 | 3,783.59 |
| | | 6,121.18 | 4,688.86 |
| Liabilities | | | |
| (1) | Non-current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 76.87 | 1,097.54 |
| | (b) Provisions | 196.18 | 105.43 |
| | (c) Deferred tax liabilities (net) | 260.15 | 573.83 |
| | | 533.19 | 1,776.79 |
| (2) | Current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 3,900.01 | 3,801.20 |
| | (ii) Trade payables | 1,838.39 | 1,576.01 |
| | (iii) Other financial liability | 30.99 | 177.19 |
| | (b) Other current liabilities | 204.73 | 443.41 |
| | (c) Provisions | 11.89 | 33.78 |
| | (d) Current tax liabilities (net) | 279.16 | 39.43 |
| | | 6,265.17 | 6,071.02 |
| | Total Equity and Liabilities | 12,919.54 | 12,536.67 |





Independent Auditor's Report
To the Members of Mangalam Organics Limited

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

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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



risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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

- a) of the state of affairs of the Company as at March 31, 2018;
- b) its total comprehensive income (comprising of profit and other comprehensive income),
- c) of the cash flows for the year ended on that date, and
- d) of the changes in equity for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid Ind AS financial Statement comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies Accounts (Rules), 2014;
- e) On the basis of written representations received from the directors as on 31 March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" ; and
- g) With respect to the other matters to be included in the Auditor's Report and to the best of our information and according to explanation given to us:
1. The Company has disclosed the impact of pending litigation on its financial position in its Ind-AS financial statement- Refer Note 27 of the financial statements.
 2. The Company does not have any long-term contracts including derivatives contracts for which there are no material foreseeable losses.
 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018.
 4. The reporting on disclosures relating to Specified Bank Notes is not applicable for the year ended 31 March 2018.

For NGST & Associates
Chartered Accountants
Registration No. 135159W

Bhupendra Gandhi

Bhupendra Gandhi

Partner

Membership No. 122296



Place: Mumbai

Date: 19th May 2018



ANNEXURE – A TO AUDITOR'S REPORT
(Referred to our report of even date)

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

- i) (a) The company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the Company has informed us that it is in process of compilation.

(b) According to the information and explanation given to us, all the fixed assets have been physically verified by the management during the year and we are informed that the management on such verification has noticed no material discrepancies. In our opinion the frequency of verification is reasonable.

c) The title deeds of immovable properties are held in the name of the company except that they are mortgaged to bank as per the report given by the external valuer during the year and as per the management and we have relied upon the same.
- ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records.
- iii) (a) In our opinion and according to the information and explanation given to us the company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore clause iii b and iii c are not applicable.
- iv) In our opinion and according to the information and explanation provided to us in respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Companies Act 2013 have been complied with.
- v) In our opinion and according to the information and explanation given to us by the management, the company has not accepted any deposit from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- vi) The Central Government has prescribed maintenance of the cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of accounts & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.



vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, custom duty, Excise duty, service tax, cess and goods and service tax with effect from 1 July 2017 other material statutory dues applicable to it have *generally* been regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of these were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

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

viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. Further, the Company has not issued any debenture.



- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). As per the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x) During the course of our examination of the books and records of the company and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company or any fraud on the company by its officers or employees, which has been noticed or reported during the current year, nor we have been informed of such case by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) This clause is not applicable since the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For NGST & Associates
Chartered Accountants
Registration No.135159W



Bhupendra Gandhi
Partner

M. Ship No. 122296

Place: Mumbai

Date: 19th May, 2018



ANNEXURE – B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Mangalam Organics Limited ('the company'), as of 31 March 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGST & Associates
Chartered Accountants
Registration No.135159W



Bhupendra Gandhi
Partner

M. Ship No. 122296

Place: Mumbai

Date: 19th May, 2018

