

MANGALAM ORGANICS LIMITED

Formerly Dujodwala Products Limited

Village Kumbhivali, Savroli Kharpada Road,
Khalapur-410202, Dist: Raigad (Maharashtra)

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2014.

(Rs in lacs)

Sr. No.		Quarter ended on			Year ended on	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
		Audited	Reviewed	Audited	Audited	Audited
1	Net Sales / Income from operations including Trading Sales	8,028.04	5,887.68	5,022.78	25,267.17	23,004.69
	Less: Excise Duty	558.05	506.05	475.60	2,101.32	2,052.36
		7,469.99	5,381.63	4,547.18	23,165.85	20,952.33
2	Other Income	72.04	5.55	7.29	117.17	131.60
3	Total Income [1 + 2]	7,542.03	5,387.18	4,554.47	23,283.02	21,083.93
4	Expenditure					
	[a] Consumption of Raw Materials	5,666.39	3,542.84	3,806.33	15,602.53	15,856.74
	[b] Purchase of Traded goods	460.47	916.31	535.84	2,293.54	2,089.25
	[c] Increase/decrease (+/-) in stock in trade and work in process	16.44	(643.93)	(1,041.93)	154.56	(1,498.23)
	[d] Employees Cost	244.77	228.44	196.25	840.79	767.61
	[e] Depreciation	156.30	119.69	109.57	467.63	430.03
	[f] Other Expenditure	631.82	720.03	695.76	2,418.22	2,382.14
	[g] Total	7,176.19	4,883.38	4,301.82	21,777.27	20,027.54
5	Finance Cost	195.96	209.28	129.48	789.94	569.37
6	Exceptional Items	-	-	-	-	-
7	Profit (+)/Loss(-) from Ordinary Activities before tax [3]-[4+5+6]	169.88	294.52	123.17	715.81	487.02
8	Tax Expenses	237.41	-	139.44	237.41	139.44
9	Net Profit (+)/ Loss (-) from Ordinary Activities after tax [7-8]	(67.53)	294.52	(16.27)	478.40	347.58
10	Extra-Ordinary Items [Net of tax expenses]	-	-	-	-	-
11	Net Profit (+)/Loss(-) for the period [9 - 10]	(67.53)	294.52	(16.27)	478.40	347.58
12	Paid-up equity share capital [Face Value of each share Rs. 10/-] (including calls in arrears of Rs.152000/-)	905.27	905.27	905.27	905.27	905.27
13	Reserve excluding Revaluation Reserves as per Balance sheet of previous accounting year	-	-	-	-	-
14	Earnings Per Share (EPS)					
	[a] Basic and diluted EPS before Extraordinary					

STATEMENT OF ASSETS & LIABILITIES		
		[Rs. in lacs]
	31.03.2014	31.03.2013
	Audited	Audited
A) EQUITY AND LIABILITIES		
1) Share Holders' Funds		
Share Capital	903.75	903.75
Reserves and Surplus	4,196.02	3,717.62
	5,099.77	4,621.37
2) Non-Current Liabilities		
Long Term liabilities	299.61	428.12
Deferred Tax Liability	649.12	626.71
Long Term Provisions	83.43	78.64
	1,032.16	1,133.47
3) Current Liabilities		
Short-Term Borrowings	4,945.44	3,243.81
Trade Payable	3,253.69	3,256.90
Other Current Liabilities	1,561.76	1,784.01
Short Term Provision	21.75	13.25
	9,782.64	8,297.97
TOTAL	15,914.57	14,052.81
B) ASSETS		
Non-Current Assets		
Fixed Assets		
(i) Tangible Assets	4,981.28	5,039.33
(ii) Capital work-in-progress	-	125.37
Non-Current Investments	0.25	0.25
Long Term Loans and advances	61.08	400.71
	5,042.61	5,565.66
CURRENT ASSETS		
Inventories	5,465.37	4,351.86
Trade Receivable	3,531.56	2,728.85
Cash and Cash Equivalents	464.84	429.39
Short-term Loans and advances	1,408.79	874.24
Other Current Assets	1.40	102.81
	10,871.96	8,487.15
TOTAL	15,914.57	14,052.81



AUDITOR'S REPORT

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

Report on the financial statements

We have audited the accompanying financial statements of Mangalam Organics Limited (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.

Place: Mumbai
Date: 09th May 2014



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

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)

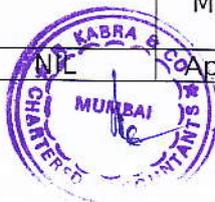
On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- 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 Duty	1,01,92,867	NIL	April 2004 to	High Court



Excise Act, 1944				November 2004	
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.

Place: Mumbai
Date: 9th May 2014



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

R L Kabra
Partner
Membership No.: 016216