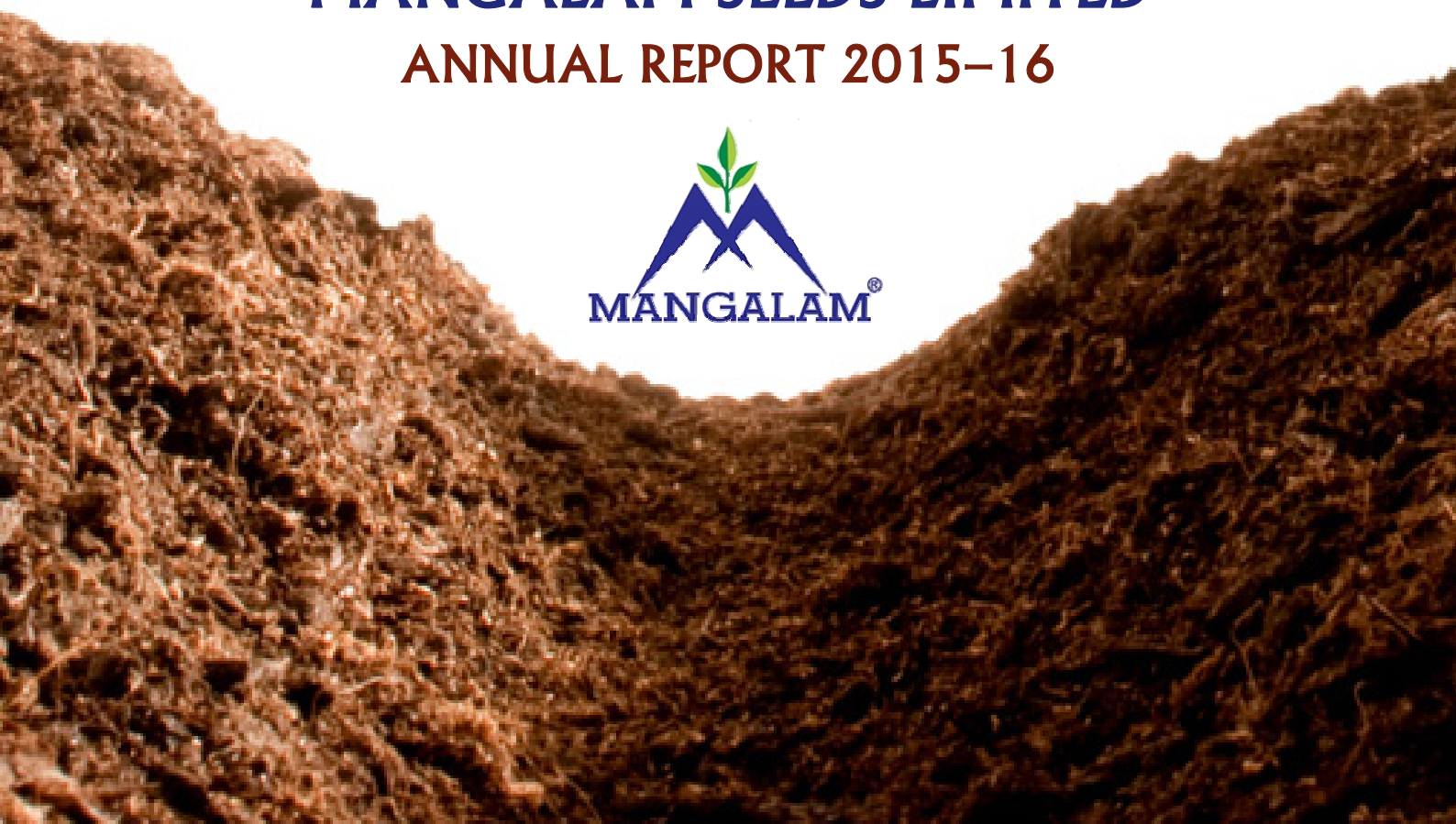




**MANGALAM SEEDS LIMITED**  
**ANNUAL REPORT 2015-16**



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# Planting Life in Seeds

*Although India's food grain production in 2015-16 has marginally increased as compared to 2014-15, there is hardly any change in the standard of living of farmers. Use of hybrid seeds can increase the productivity and thus help farmers to increase their incomes. Mangalam embarked on a journey to transform the standard of living of farmers by*

*use of hybrid seeds. Hybrid seeds supported by Research & Development have been the milestone of the success of the Company. Planting life in seeds means planting life for farmers. Higher the productivity of farmers, higher will be their income and higher will be the contribution of India in Agriculture. **Planting life in seeds** leads to **Shaping life of Farmers**.*



## CORPORATE INFORMATION

### ***Management Team:***

Mr. Mafatlal Jethabhai Patel	Chairman
Mr. Pravinkumar Mafatlal Patel	Managing Director
Mr. Dhanajibhai Shivrambhai Patel	Executive Director
Mr. Samir Jitendrabhai Shah	Independent Director
Mr. Mukesh Ravinchandra Sheth	Independent Director
Mrs. Riddhi Nimit Shah	Independent Director
Mr. Ankit Mahendrabhai Soni	Chief Financial Officer
Ms. Rujavi Pranavbhai Chalishajar	Company Secretary & Compliance Officer

### ***Statutory Auditors:***

#### **M/s. Piyush J. Shah & Co.**

Chartered Accountants  
504, Shikhar Complex,  
Nr. Vadilal House, Mithakhali Cross Roads,  
Navrangpura, Ahmedabad - 380009.

### ***Bankers:***

#### **HDFC Bank Ltd,**

Unjha Branch

### ***Registrar & Share Transfer Agent:***

#### **Karvy Computershare Private Limited**

Karvy Selenium Tower B,  
Plot no. 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad- 500032

### ***Registered Office:***

202, Sampada Complex, B/h. Tulsi Complex,  
Mithakhali Six Roads, Navrangpura,  
Ahmedabad- 380009

## FOUNDATION OF MANGALAM

With a Vision of being the most preferred brand in India **Mangalam Seeds Limited** erstwhile known as Mangalam Seeds Corporation was established as a proprietorship concern by our **Promoter – Mr. Mafatlal J Patel** with his rich agricultural experience.

Accompanied by technical expertise of our eminent **Agricultural Scientist Dr. I. D. Patel** and backed by the intense Research and Development, our promoter took the next step towards his vision and converted his Proprietorship to Partnership in the Year 2007.

With handful of hybrids already developed with continuous Research and Development, our promoters acknowledging the growth prospects the seed industry offers, converted the Partnership Firm and incorporated Company- **'Mangalam Seeds Limited' in 2011.**

At present, our Company is offering a wide range of seeds categorized as **"Research Seeds"** and **"Hybrid Seeds"**. Research Seeds are high quality seeds, being produced by a backward integration process and offers natural nutrient qualities. These seeds require intensive research and are also called as pure seeds.

Hybrid Seeds on the other hand, are produced through open pollination and cross pollination process. As on date we have developed 16 varieties of seeds. Further our Company has a collection of around 976 varieties of germplasm in various crops. ***Our products are being marketed under various brand names like Eklavya, Volina, Leetos, Juddo, etc. We have almost 72 trademarks registered in the name of our various products.***

**Our growth strategy is majorly defined by one word i.e. Research and Development** and our Company makes conscious efforts to produce better and different varieties of seeds. Our Company has R & D farms to carry on its research activities.

***We further believe in developing state of Art Infrastructure and Technology and have set up 2 Greenhouses and 2 open Polyhouses and adequate tube wells for uninterrupted water supply.***

We believe in this competing world, no business can survive without marketing. Our Company has strong marketing channels in Gujarat, Rajasthan, Madhya Pradesh and Andhra Pradesh to support marketing. Our marketing includes seasonally organizing farmers and dealers meeting including farmers demonstration, putting our product



in television and newspaper for advertising and field meeting with farmers. Driven by rich agriculture experience, increasing thrust on R & D, expectations of continued government support, we foresee to expand our operations from Gujarat, Madhya Pradesh, Rajasthan and Andhra Pradesh to PAN India basis and over the globe.

We want to continue developing high yielding, diseases and pest resistant varieties in our crops and focus on value addition by assimilating the latest technologies and global best practices.

## MANGALAM AT A GLANCE

### *Corporate Snapshot*

**Mangalam Seeds Limited** is a **sustainable agriculture ISO 9001 certified** Company founded in 2011, which delivers agricultural products that supports farmers – small and large – all over the Country. Mangalam Seeds is engaged in producing and delivering high quality seeds with specialization in forage crops. The Company's expertise is in the supply of high potential, versatile and disease, pest and drought tolerant hybrid seeds which are adaptable to different agro-climatic conditions. The technology used by the Company is to develop better seeds, nurture and develop new agronomic practices that can drive big and increase yield and productivity.

We build our brands and develop our products through extensive Research and Development activities, relentless innovation and crystal clear marketing carried out by our Company. This is a powerful blend that helps and inspires us, our Farmers & Customers. We are committed to make sustainable agriculture using farming techniques that can protect the environment, public health, human communities and animal welfare.

Our Company is headquartered in **Ahmedabad** and listed on the **SME Platform of Bombay Stock Exchange in August 2015**. Our Company has well equipped seeds processing and packaging cum Research and Development units located at Village Jagudan District Mehsana, Village Raner Taluka Kankrej District Banaskantha and Village Maktupur, Taluka Unjha District Mehsana. Our Company also has strong marketing channel in Gujarat and Rajasthan, comprising of **421 Distributors**, more than **1150 dealers** and retailers to support marketing. The warehouses of the Company for seeds stocking are located at Palanpur, Una, Junagadh, Deesa in the State of Gujarat and Jodhpur, Bhinamal and Jaipur in the State of Rajasthan.

2003

- Mangalam Seeds Corporation, A Proprietorship Concern was started by Mr. Mafatlal J Patel

2004

- First Variety of Hybrid Seeds in the form of Castor MSC-55 was introduced

2006

- Introduced Various Hybrid Variety Products in the form of MSC-524, MSC-252, Eklavya, etc.

2007

- Conversion of Proprietorship Concern to Partnership to expand the business.

2011

- Conversion of Partnership to Public Limited Company in the name of Mangalam Seeds Limited

2013

- Company introduced first ever hybrid fennel in India named "VOLINA"

2015

- Company got listed on SME Platform of BSE Limited.



## SNAPSHOTS OF LISTING

*The Company got listed on SME Platform of BSE Limited on August 12, 2015 with the Scrip name of MSL at price of Rs. 50 each (including Share Premium of Rs. 40 per share).*



*Listing Ceremony of MSL at International Convention Hall, BSE on August 12, 2015. The Chairman and the Managing Director rang the listing bell at 10:00 A.M. along with the BSE Officials, Statutory Auditor of MSL and Merchant Bankers.*





*Managing Director with Mr. Ashish Chauhan, MD & CEO, BSE Limited*

*Managing Director with Mr. Ajay Thakur, BSE SME Head*





*Some memorable snapshots of the listing ceremony....*



## INITIATIVE BY GUJARAT GOVERNMENT FOR SMEs RAISING FUNDS THROUGH SME EXCHANGE

Gujarat Government has been promoting SME capital markets and encouraging its SME units to raise funds thereon. Besides, organizing various programs, another Initiative has been taken by the State Government by declaring a scheme for assisting SMEs for raising capital through SME exchange. Under this scheme, the Government subsidies 20% of total expenditure incurred on SME IPO, limited maximum up to Rs. 5 Lakhs. The Government reimburses this amount post successful completion of IPO and listing of the SME Company on Stock Exchange platform.

The new scheme is to encourage SMEs to opt for raising finance through SME platforms of BSE and NSE, which comes out as an easy access to raise capital ensuring increase in the company's credibility in the market. Government of Gujarat is the first and only State to have come out with such a scheme for encouraging its SME units to raise growth capital and list on stock exchanges.

***Mangalam Seeds Ltd. is the first company to successfully take benefit of this scheme of Government of Gujarat.***

### SANCTION LETTER

1145664  
No: IC/MSME/SME Exchange/Sanction-1/  
Office of the **Industries Commissioner**  
Block 1 & 2, Udyog Bhavan,  
Sector-11, GH-4, Gandhinagar,  
Dt: 11/01/2016

To,  
Mangalam Seeds Limited  
202, Sampada Complex,  
Mithakali Six Roads, Navrangpura,  
Ahmedabad-380009

Sub: - Sanction of assistance to SME for raising Capital through SME Exchange under New Industrial Policy -2015  
G.R.No.SSI-102014-924840-CH dated: 19/01/2015  
**Location of Processing Unit:-** At: Maktupur, Dist: Mehsana, Gujarat.

Dear Sir,

With reference to the above cited subject, it is to state that your application for assistance to SME for raising Capital through SME Exchange under New Industrial Policy 2015 is sanctioned by SLIC No:1 Dated:14/12/2015 under said GR for assistance of Rs.5,00,000/- at the rate of 20% of total expenditure Rs.42,48,745/- incurred on raising of fund through SME Exchange subject to compliance of following conditions.

1. Unit shall have to comply & follow all the provisions of applicable Government Resolution and amendment thereto if any & submit an undertaking to this effect.
2. Unit shall have to submit C.A. certified expenditure statement for SME Capital Issue published for which assistance sanctioned.
3. The assistance will be disbursed to the unit after physical verification report and recommendation of district of District Industries Centre, Ahmedabad.
4. The amount of assistance will be finalized after getting report of DIC on establishment of SME & actual expenditure & will be remitted to the Bank Account directly as per eligibility on availability of fund.

Yours faithfully  
Jt. Commissioner of Industries (MSME)

C.C. to  
General Manager,  
District Industries Centre,  
Modhera Road,  
Mehsana.

He is requested to visit the unit and send a verification report to IC office immediately.

## GROWING THE FUTURE

*The importance of quality seeds for improving agriculture yield has been recognized from time immemorial.*



MSL's conviction is that future of agriculture is destined in the seed. Quality seed produced through innovative research is an important contribution for improvements of agriculture and global food security. Organized production of superior quality seed for benefit of farmers is the business motto of Mangalam Seeds Limited since its incorporation. The company has come a long way to become one of the fastest growing hybrid seed Companies in India with consistence of growth in all key indicators such as revenue, profit, & market share.

The company has been able to augment growth with focus on R & D based product development, structured business coupled with quality seed production and distribution network.

# LENDING A HELPING HAND TO HUMANITY

## *For Investors*



## *For Employees*



## OUR MANAGEMENT TEAM

### *Mr. Mafatlal Jethalal Patel*

#### *Chairman*

In the year 1971, Mr. Mafatlal laid the foundation stone of Mangalam Seeds – A Proprietorship Concern, doing business as trader, dealer and distributor of agricultural products in Unjha. Mangalam Seeds under the leadership and hard work of Mr. Mafatlal Patel has achieved a substantial place in the market. In the year 2007, from the foundation of Mangalam Seeds Corporation – A Partnership Firm, Mr. Mafatlal Patel has been actively engaged in the Financial and Distribution matters. Mr. Mafatlal Patel is qualified Bachelor of Science in the field of Agriculture (B.Sc Agriculture). Mr. Mafatlal Patel serves MSL with his rich experience of more than 35 years in the field.

### *Mr. Pravinkumar Mafatlal Patel*

#### *Managing Director*

Since the inception of Mangalam Seeds Limited (Erstwhile known as Mangalam Seeds Corporation – A Partnership Firm), Mr. Pravin Patel has played an active part in the growth and development of the organization. Under his strong initiative, Mangalam Seeds Corporation – A Partnership Firm was converted into Mangalam Seeds Limited – A Public Limited Company under the provisions of Part IX of the Companies Act, 1956. Mr. Pravin Patel has a rich experience of more than a decade in the field of Producing and Selling Hybrid Seeds and has enriched MSL with his expert knowledge.

### *Mr. Dhanajibhai Shivrambhai Patel*

#### *Executive Director*

Mr. Dhanajibhai Patel has been part of Mangalam Seeds Corporation – A Partnership Firm from the establishment. Holding more than 15 years of experience in this field, Mr. Dhanajibhai has been actively engaged in the Production and Product Development matters. At MSL he is entrusted with the responsibility of Production &

Product Research and Development. Mr. Dhanajibhai Patel is proficient at handling day to day activities in co-ordination with various internal / external departments for ensuring smooth production operations.

***Dr. Ishwarlal D. Patel***

***Research Scientist***

Dr. I.D. Patel, is an Ex-Scientist of G.A.U. Gujarat with a qualification of Masters of Science in the field of Agriculture. Dr. I. D. Patel has done Ph.D in Plant Breeding and Genetics. He is an eminent agricultural scientist who had played significant role in the development of agriculture at State and National Level by developing 46 improved / hybrid varieties. Dr. I.D. Patel is pioneer in the country for development of male sterile line, gamosis resistant, dwarf genotypes and first fennel hybrid in the Country. Dr. I.D. Patel is associated with MSL since inception and works as a Research Scientist.

***Mr. Samir Jitendrabhai Shah***

***Independent Director***

Mr. Samir Shah is having good experience & knowledge of Accounts and Finance. He has experience of more than 20 years in this field. He expertise in finalization of Accounts and filling of Tax Returns meticulously.

***Mr. Mukesh Ravinchandra Sheth***

***Independent Director***

Mr. Mukesh Sheth is having a good experience of more than 25 years in business. He has good entrepreneurial and analytical skills. He is involved in the Strategy formulation for the Company.

***Mrs. Riddhi Nimit Shah***

***Independent Director***

Riddhi Nimit Shah is a Master of Commerce from Gujarat University. She is a dynamic individual having vast knowledge of Accounting. She has good interpersonal



skills and good analytical and problem solving skills. She is a person with a strong positive attitude having sound knowledge of Accounts & Finance.

***Mr. Ankit Mahendrabhai Soni***

***Chief Financial Officer***

Ankit Soni is a commerce graduate from Gujarat University having good knowledge of Accounts and Finance. He has experience of more than 10 years as Accountant in leading Private Companies of Ahmedabad. He gained expertise in Accounts and earned great knowledge on Financial Statements.

***Rujavi Pranavbhai Chalisehajar***

***Company Secretary and Compliance Officer***

CS Rujavi Chalisehajar is a commerce graduate from Gujarat University and an associate member of Institute of Company Secretaries of India. She is a dynamic professional presently working with Mangalam Seeds Limited, Ahmedabad as a Company Secretary. She expertise's in Company & LLP formation, Compliances under Company & LLP Law, Knowledge on Takeovers & Mergers, Corporate Governance Report, Secretarial Audit (Reconciliation of Share Capital Audit), E-filing, etc.

***Mr. Revabhai Patel***

***Head Production and Processing***

***Mr. Pradip N. Patel***

***Head Marketing and Distribution***

***Mr. Mehul N. Patel***

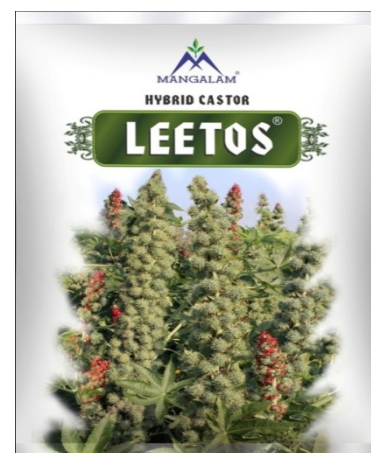
***Head Administration and Human Resources***

## OUR PRODUCTS

Sr. No	Name of Product	Representation	Features / Qualities
1	<p><i>Pearl Millet (Bajara)</i></p>		<p><b><u>Features</u></b></p> <ul style="list-style-type: none"> <li>➤ High yield</li> <li>➤ Tolerant to D.M.</li> <li>➤ Long and compact ear head</li> <li>➤ Best quality of grain &amp; fodder</li> </ul> <p><b><u>Qualities:</u></b></p> <ul style="list-style-type: none"> <li>➤ Grain and fodder both are useful</li> <li>➤ It is high energy food &amp; excellent source of protein, fibre &amp; many essential nutrients</li> <li>➤ Bajara has some medicinal properties</li> <li>➤ Good source of Niacin, which reduces cholesterol and magnesium which is essential for maintaining good heart health, as it lowers blood pressure and reduces the risk of heart attacks.</li> <li>➤ Consumption of pearl millets helps in minimizing the risk of type 2 diabetes.</li> <li>➤ Helps in reducing weight</li> </ul>

2

**Castor**



**Features**

- High yielding varieties
- Wilt tolerant
- Long and compact spike
- More branching per plant
- Low male ratio in spike

**Qualities:**

- Common use of Castor is in making castor oil, which can be obtained by crushing castor seeds in the machines.
- It is a good source of Ricinoleic acid, Oleic acid, Linoleic acid and other fatty acids, which have medicinal as well as industrial value.
- It's having germicidal and disinfectant properties, is useful for treating skin diseases and skin ulcers, particularly those which are caused due to bacterial or fungal infections.
- The germicidal, insecticidal and fungicidal properties of Ricin and Ricinoleic acid that is present in castor oil protects

**3 Sesamum**



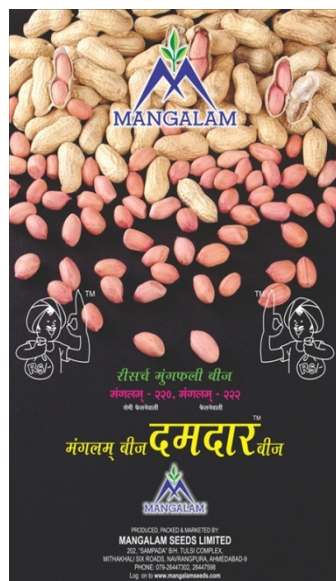
**Features:**

- High Yield
- Bold and White Seed
- Long Capsule
- More Capsule per plant
- Low Inter Nodal Distance
- Single Stem

**Qualities:**

- The seeds are especially high in copper, manganese, calcium and magnesium
- Sesame seeds offer good source of protein, giving them a perfect place in a high-protein vegetarian diet
- Sesame Oil help to prevent diabetes, and it can also improve plasma glucose in hypertensive diabetics.
- Sesame Oil have many other medicinal properties and accordingly helps to lowers Blood Pressure, Boost to bone health, help for maintaining blood pressure.

4 **Ground  
Nut/  
Peanut**



**Features:**

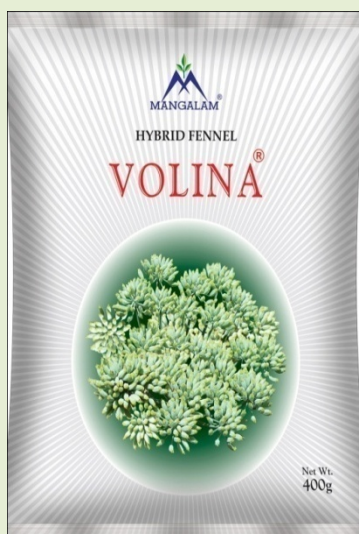
- High Yield
- Tolerant to major disease leaf spot & collar rot
- Bold seeded
- High oil contents

**Qualities:**

- Peanuts are high in fat, consisting mostly of mono- and polyunsaturated fatty acids. They are often used to make peanut oil.
- For a plant food, peanuts are an exceptionally good source of protein.
- Being low in carbs and high in protein, fat, and fibers, peanuts have a very low glycemic index
- Peanuts are an excellent source of many vitamins and minerals. These include biotin, copper, niacin, folate, manganese, vitamin E, thiamin, phosphorus, and magnesium.

5

**Fennel**



**Features:**

- First commercially successful hybrid
- Gives bumper yield
- More umbel per plant
- More seeds per umbellate
- Tolerant to Sugary Secretion
- More branching

**Qualities:**

- Sweet Taste and Refresh Breath after a Meal.
- In addition to its use as medicinal values, fennel has many health benefiting nutrients, essential compounds, anti-oxidants, dietary fibre, minerals, and vitamins
- Fennel seeds are rich source of dietary fibre
- Fennel water often is used in newborn babies to relieve colic pain and help aid digestion.
- Fennel is excellent for combating obesity as it suppresses the appetite

6

*Cumin*



**Features:**

- High Yield
- More umbel per plant
- More branching
- Tolerant to wilt

**Qualities:**

- Cumin seeds contain numerous phyto-chemicals that are known to have antioxidant, carminative and anti-flatulent properties. The seeds are an excellent source of dietary fibre.
- Its seeds contain certain health-benefiting essential oils
- Cumin improves gut motility and help in digestion by augmenting gastro-intestinal enzyme secretions.
- It is an excellent sources of minerals like iron, copper, calcium, potassium, manganese, selenium, zinc and magnesium.

7 **Mustard**



**Features:**

- High Yield
- Bold and Black Seed
- Luxurious Growth
- More Branching

**Qualities:**

- Generally perceived as health benefiting spice, mustard seeds are indeed very rich in phyto-nutrients, minerals, vitamins and anti-oxidants.
- Mustards are rich source of health benefiting minerals viz. Calcium, manganese, copper, iron, selenium and zinc are some of the minerals especially concentrated in these seeds
- Selenium and magnesium, that can help control symptoms of asthma.
- Good source of essential B-complex vitamins and it help in enzyme synthesis, nervous system function and regulating body metabolism



8	<p><b>Green Gram – Moong</b></p>		<p><b><u>Features:</u></b></p> <ul style="list-style-type: none"> <li>➤ High Yield</li> <li>➤ Wilt &amp; YVM tolerant</li> <li>➤ Long pod</li> <li>➤ More pod numbers per plant</li> </ul> <p><b><u>Qualities:</u></b></p> <ul style="list-style-type: none"> <li>➤ Easily digestible &amp; good source of protein</li> <li>➤ Good source of dietary fiber (helps to lower cholesterol, prevents constipation and keeps you feeling full)</li> <li>➤ Loaded with vitamins along with many minerals including iron, calcium and potassium.</li> <li>➤ Moong are low on the glycemic index, which helps to regulate blood sugar</li> <li>➤ Considered as healthy weight loss food.</li> </ul>
9	<p><b>Multi Cut Fodder Hybrid Bajara</b></p>		<p><b><u>Features:</u></b></p> <ul style="list-style-type: none"> <li>➤ Bumper fodder yield</li> <li>➤ Vigorous growth</li> <li>➤ More tillers</li> <li>➤ Broad and dark colored leaf</li> </ul> <p><b><u>Qualities:</u></b></p> <ul style="list-style-type: none"> <li>➤ Easy palatability and digestibility</li> <li>➤ Good source of crude protein &amp; fibre</li> <li>➤ Contains low HCN, which is not enough to be hazardous to animal</li> </ul>

10	<p><i>Psyllium Seeds</i></p>		<p><b><u>Features:</u></b></p> <ul style="list-style-type: none"> <li>➤ Semi-erect plant</li> <li>➤ Good tillers per plant</li> <li>➤ Long spike</li> <li>➤ Basal branching habit</li> <li>➤ Hairy leaf</li> </ul> <p><b><u>Qualities:</u></b></p> <ul style="list-style-type: none"> <li>➤ Laxative Effect</li> <li>➤ Maintains Intestinal health</li> <li>➤ Helps in controlling Cholesterol</li> <li>➤ Good source of fibre which can help to maintain a healthy glycemic balance, which is good for control of diabetes</li> <li>➤ Because psyllium absorbs liquid in body, it can help give us feeling of being full, this can help control the amount of food we eat, and we can manage body weight.</li> </ul>
11	<p><i>Sorghum Sudan Grass - Mangalam Harramoti</i></p>		<p><b><u>Features:</u></b></p> <ul style="list-style-type: none"> <li>➤ Bumper Fodder Yield</li> <li>➤ Multi-cut fodder variety</li> <li>➤ Vigorous growth</li> <li>➤ Long &amp; dark colored leaf</li> <li>➤ More tillers per plant</li> <li>➤ Very quick re-growth</li> </ul> <p><b><u>Qualities:</u></b></p> <ul style="list-style-type: none"> <li>➤ Good source of protein and fibre</li> <li>➤ Biomass Producer</li> <li>➤ Fit best in summer feeding programs</li> <li>➤ Easy palatability and digestibility</li> <li>➤ Fodder of SSG preferred more by animal</li> </ul>

12

**Lucerne  
Seeds**



**Features:**

- Erect plant
- More leaves per plant
- High tillers per plant
- Dark green foliage
- Year round production

**Qualities:**

- Grown throughout the world as forage crop for cattle.
- Lucerne is highly digestible
- It is good source of crude protein and possess high digestible fibre.
- Lucern is rich in chlorophyll, carotene, calcium and other minerals & vitamins
- The sun-dried hay of lucern has been found to be a source of vitamin D

## FINANCIAL PERFORMANCE

### 4 Years Record Standalone

(Amount in Rs.)

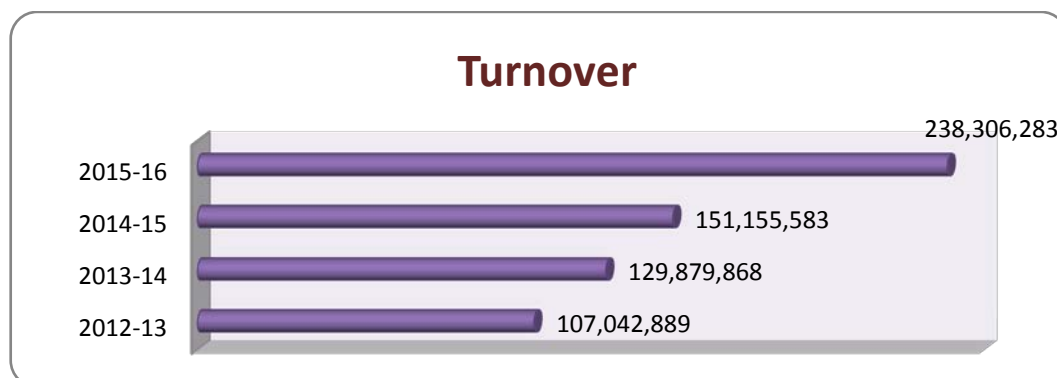
Statement of Profit & Loss	2012-13	2013-14	2014-15	2015-16
Net Sales	107,042,889	129,879,868	151,155,583	238,306,283
Other Income	96,961	80,702	128,219	283,730
Interest	4,607,708	5,044,291	2,815,295	2,862,058
Profit Before Tax	1,776,680	1,948,662	12,335,200	22,836,141
Profit After Tax	1,178,103	1,344,976	1,1469,721	21,754,586
Earnings Per Share	12.40	14.16	23.35	5.62

Balance Sheet	2012-13	2013-14	2014-15	2015-16
Fixed Assets	9,022,555	7,638,308	24,562,521	30,012,931
Investments	-	-	-	399,940
Shareholder's Funds	7,009,598	12,854,574	46,350,557	126,571,716
Share Capital	950,000	1,400,000	9,315,000	43,020,790
Reserves & Surplus	6,059,598	11,454,574	37,035,557	83,550,926

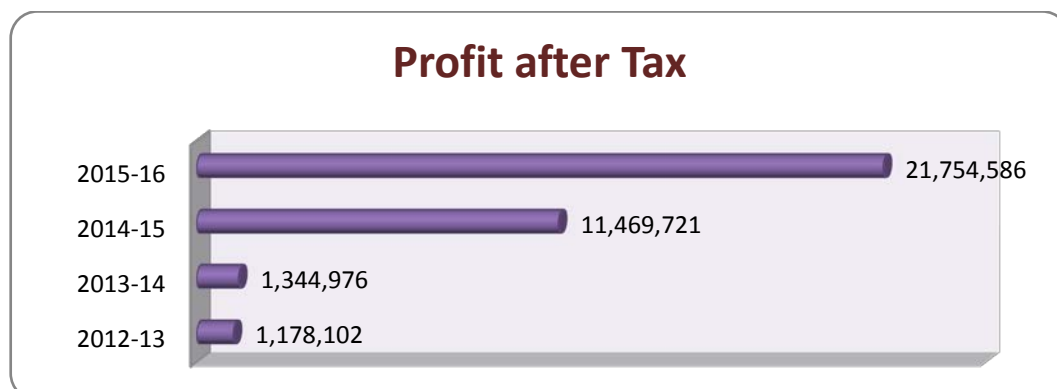
Key Ratios (%)	2012-13	2013-14	2014-15	2015-16
EBIT	5.39	4.72	8.90	10.78
Fixed Assets Turnover	7.62	5.15	14.43	12.59
PAT	0.99	0.91	6.74	9.13
Return on Net Worth	0.17	0.10	0.25	0.17

## KEY PERFORMANCE INDICATORS

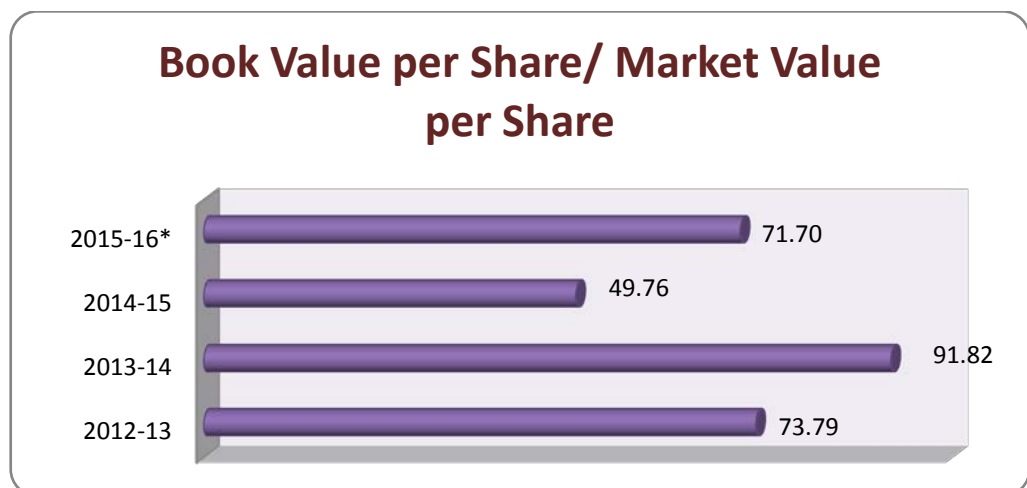
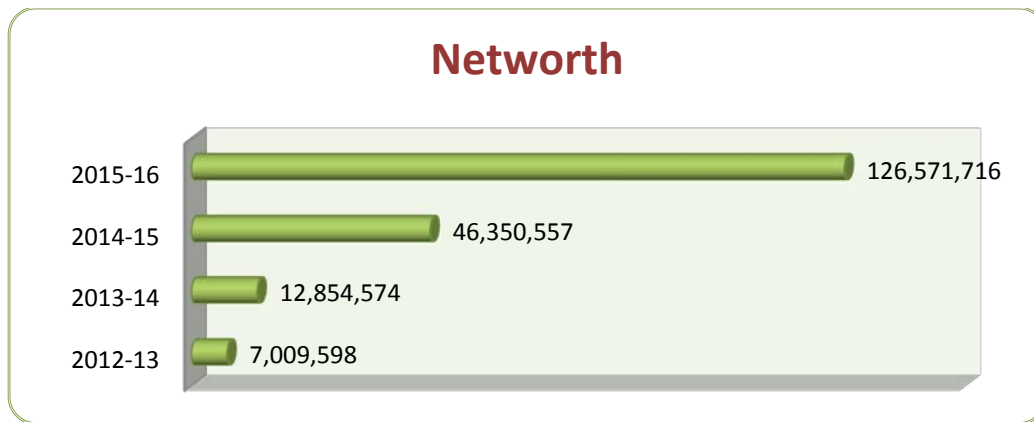
### *Profit & Loss Metrics (Standalone)*



*There is decrease in the Earnings per Share of the Company in the Financial Year 2015-16 as the Company has issued 3,370,579 Equity Shares during the Year of which 2,018,251 Equity Shares were issued as Bonus, 212,328 Equity Shares were issued via Preferential allotment and 1,140,000 Equity Shares were issued via Initial Public Offer.*



## Balance Sheet Metrics



*\* The Value per Share for the Financial Year 2015-16 is the Closing Price of the Share as on March 31, 2016 on BSE.*

## CHAIRMAN'S COMMUNIQUE



It gives me great pleasure to welcome you to the Company's 5<sup>th</sup> Annual General Meeting. This AGM assumes immense significance, as it is our first AGM after Initial Public Offer (IPO) of the Company. We must record our sincere thanks and appreciation to all those who applied in our IPO and have stood by us with their investments.

The year 2015-16 will be remembered as a pivotal one in the history of our Company as the Company made a Public Issue of 11,40,000 Equity Shares of Rs. 10/- each at a fixed price of Rs. 50/- each and the issue received an overwhelming response and was oversubscribed nearly 2.00 times. I am very delighted to write to you for updating you on the

performance of Mangalam Seeds Limited. The year gone by has been challenging in many ways. Volatility in commodity prices, low consumer sentiments, along with political and social turmoil and uncertainty were some of the key concerns. The increasing demand for food from a population striving for better life is further compounded by population growth. The economy is struggling to ensure food even as the demand for food continues to grow and the land available for the agriculture reduces.

Clearly, finding ways to increase in yield out of seed is now essential and Mangalam Seeds Limited has the capability to play a significant role. Hybrid seeds developed by our scientist can really make this thing possible and also enhance the yield.

We are constantly researching and observing the role that seed plays in increasing the yield, keeping in mind the cost factor. We already have strong brand image in some of the region and we are also expanding the same. We move ahead in our journey we may need bold changes and tough decisions to produce best quality products and cover the regions.

In the past, despite sustainable challenges, the Indian agricultural sector has delivered totally exceptional results and it is giving remarkable results to the world. Indian farmers are playing crucial role in it.

As I look ahead to the coming years, I see incredible opportunities in front of us, as a Company, as employees and as industry. I am excited to see the role MSL plays in this journey, by our potential to become the leading Agricultural Company in India.

Thanks and Best of luck!!!



## MESSAGE FROM MANAGING DIRECTOR

I am extremely proud at the same time humbled to present the Annual Report of Mangalam Seeds Limited, BSE SME Listed Company as the Managing Director. When we look at Mangalam Seeds today, we can see that it has been a year of great transition for the Company. Despite of transitions the Company has marked a new milestone growth by listing on the SME Platform of BSE Limited and moreover achieving the turnover of around Rs. 2383.06 Lakhs in F.Y. 2015-16.



Our Total Revenues for the year were Rs. 2383.06 Lakhs compared to Rs. 1511.55 Lakhs in the previous year, an increase of 57.66 percent.

Our EBIDTA for the year was Rs. 262.86 Lakhs compared to Rs. 150.32 Lakhs in the previous year, an increase of 74.87 percent.

Our Net Profit for the year was Rs. 217.54 Lakhs compared to Rs. 114.70 Lakhs in the previous year, an increase of 89.67 percent.

I feel proud to recommend dividend of Rs. 1/- per share to all the eligible shareholders in the very first year of our listing.

***Mr. Pravin M. Patel, Managing Director***

I thank all our stakeholders – our bankers, our investors, our vendors and partners, our distributors and agents and customers for their trust and faith. A special thanks to all the employees of the Company for their energy and efforts to list the Company on SME Platform of BSE Limited.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that **THE FIFTH ANNUAL GENERAL MEETING** of the shareholders of **MANGALAM SEEDS LIMITED** will be held at Registered Office of the Company at **202, SAMPADA BUILDING, BEHIND TULSI COMPLEX, MITHAKALI SIX ROADS, NAVRANGPURA, AHMEDABAD - 380009** on Monday, **26<sup>th</sup> September, 2016** at 02.00 P.M. to transact the following business:

### **ORDINARY BUSINESS**

#### **1. Adoption of Financial Statements:**

To receive, consider and adopt:

- a) Audited Balance sheet as at 31st March, 2016 and the audited Statement of Profit & Loss and the audited Cash flow Statement for the financial year ended on that date together with Directors and the Auditors Report thereon.
- b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2016 and the Report of the Auditors thereon.

#### **2. Declaration of Dividend:**

To declare final dividend of Re. 1/- per equity share for the year ended March 31, 2016.

#### **3. Appointment of Mr. Dhanajibhai Shivrambhai Patel as director liable to retire by rotation:**

To appoint a director in place of Mr. Dhanajibhai S. Patel (DIN: 03173687), who retires by rotation and, being eligible, seeks re-appointment.

**“RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby

accorded to the re-appointment of Mr. Dhanajibhai S. Patel (DIN: 03173687) as a Director, to the extent that he is required to retire by rotation.”

**4. Appointment of Statutory Auditor:**

To ratify the appointment of the auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and Audit and Auditors Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the appointment of M/s. Piyush J. Shah & Co. Chartered Accountants, Ahmedabad (FRN: 121172W with the Institute of Chartered Accountants of India) as the auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the Financial Year ending on March 31, 2017, as may be determined by the audit committee in consultation with the auditors.”

**SPECIAL BUSINESS**

**5. Remuneration of Mr. Pravinkumar M. Patel, Managing Director of the Company:**

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 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Pravinkumar Mafatlal Patel [DIN:

03173769], Managing Director of the Company, on the terms and conditions including remuneration as mentioned below:

<b>Particulars</b>	<b>Amount (in Rs.)</b>
<b>Basic Pay</b>	5,04,000
<b>Conveyance Allowance</b>	19,200
<b>Medical Allowance</b>	15,000
<b>Uniform Allowance</b>	15,000
<b>Travelling Allowance</b>	46,800
<b>Total</b>	6,00,000

**Other Terms and Conditions:**

The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

No sitting fees will be paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof.

Total Remuneration of Mr. Pravinkumar Mafatlal Patel in any financial year shall not exceed 5% of the net profit of the Company during that year.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

**Place: Ahmedabad**

**Date: 29/08/2016**

**By Order of Board of Directors**

**For Mangalam Seeds Limited**

**CIN: L01112GJ2011PLC067128**

**Registered office:**

**202, Sampada Building, B/H Tulsi Complex**

**Mithakhali Six Road, Navrangpura,**

**Ahmedabad: 380009**

**Pravinbhai M. Patel**

**Managing Director**

**DIN: 03173769**

## **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/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, and signed and stamped, not less than 48 hours before the commencement of the meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. 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.
6. The Register of Members and the Share Transfer Books of the Company will remain closed on September 19, 2016 for annual closing and determining the entitlement of the members whose names appear in the Register of Members as on September 19, 2016 to the final dividend for the year ending on March 31, 2016.

7. The payment of final dividend, if any, upon declaration by the Members at the forthcoming Annual General Meeting, will be made within a period of 30 days of declaration as under:
  - a. To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be available to the Company by National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) as at the end of the day on September 19, 2016.
  - b. To all those Members holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on September 19, 2016.
8. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
9. Members are requested to intimate, indicating their folio number, the changes, if any, of their registered addresses to the Company at its registered office or to the Company’s Registrar and Share Transfer Agents (“RTA”) viz. Karvy Computershare Private Limited.

The particulars recorded with the DPs will be considered for making the payment of dividend either by issuing physical instruments or through Electronic Clearing System (“ECS”). The Members are requested to take appropriate action in the matter, in their own interest, to avoid delay in receiving the payment of dividend.

Where dividend payments are made through ECS, intimations regarding such remittances would be sent separately to the Members.

10. With a view to use natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.

- 11.**In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by “Karvy”. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
- 12.**Members’ voting rights shall be in proportion to his/her share of paid up equity share capital of the Company.
- 13.**In case of joint holders attending the meeting together, only whose name appearing first will be entitled to vote.
- 14.**This notice is being sent to all the members at their registered e-mail IDs, whose names appear in the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on August 26, 2016. The Notice is also posted on the website of the Company i.e. [www.mangalamseeds.com](http://www.mangalamseeds.com).
- 15.**Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company registered office at least 5 days before the Annual General Meeting so that the same can be suitably replied to.
- 16.**Members/Proxies are requested to bring their Attendance Slip, sent herewith, duly filled in, for attending the meeting.
- 17.**Members who have registered their e-mail id for the receipt of documents in electronic mode are being sent AGM Notice by e-mail and others are sent by

registered post/ speed post/ courier. Members who have received AGM Notice by e-mail and wish to vote physically can do the same by remaining present in the meeting.

- 18.**The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.
- 19.**Documents specifically stated in the Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on all working days (except Saturdays, Sundays and Public Holidays) up to the date of announcement of result of AGM.
- 20.**The members who did not exercise their vote by E-Voting shall have an option to cast their vote on poll that will be conducted at the AGM Venue. Further there shall not be any voting through Show of Hands.
- 21.**The Company has appointed M/s. Trupal J Patel & Co, Chartered Accountants (FRN: 123505W) to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- 22.**The Scrutinizer shall, immediately after the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three (3) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company, who shall counter-sign the same.
- 23.**The results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mangalamseeds.com](http://www.mangalamseeds.com) and on the



website of Karvy immediately after the result is declared by the Chairman and communicated to BSE Limited.

- 24.** Electronic copy of the Notice of the 5th Annual General Meeting of the Company, inter alia, indicating the process of e-voting along as stated herein with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/DP(s) for communication purposes unless any member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 5th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 25.** Members may also note that the Notice of the 5th Annual General Meeting and the Annual Report for F.Y. 2015-16 will also be available on the Company's website [www.mangalamseeds.com](http://www.mangalamseeds.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ahmedabad for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication related to this AGM or otherwise, the Members may also send requests to the Company's investor email: [investorrelations@mangalamseeds.com](mailto:investorrelations@mangalamseeds.com).

**Place: Ahmedabad**

**Date: 29/08/2016**

**Registered office:**

**202, Sampada Building, B/H Tulsi Complex  
Mithakhali Six Road, Navrangpura,  
Ahmedabad: 380009**

**By Order of Board of Directors**

**For Mangalam Seeds Limited**

**CIN: L01112GJ2011PLC067128**

**Pravinbhai M. Patel**

**Managing Director**

**DIN: 03173769**

**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING:**

<b>Name of Director</b>	<b>Dhanajibhai S. Patel</b>
<b>DIN</b>	<b>03173687</b>
<b>Date of Birth</b>	<b>01/06/1972</b>
<b>Date of First Appointment</b>	<b>14/09/2011</b>
<b>Qualification</b>	<b>Bachelor of Arts</b>
<b>Expertise in specific functional areas and experience</b>	<b>Mr. Dhanajibhai has been actively engaged in the Production and Product Development matters with the experience of more than 15 years.</b>
<b>Directorship held in other Companies</b>	<b>3</b>
<b>Committee positions held in other Companies</b>	<b>Nil</b>
<b>No. of Equity Shares held in the Company as on 31/03/2016</b>	<b>372,432 Shares</b>

## **PROCEDURE AND INSTRUCTIONS FOR THE E-VOTING:**

- I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- II. The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
- III. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- IV. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- V. The Board of Directors of the Company has appointed M/s. Trupal J Patel & Co, Chartered Accountants (FRN: 123505W), Ahmedabad as Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

- VI.** Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 19, 2016.
- VII.** A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 19, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through polling paper.
- VIII.** Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 19, 2016, may obtain the User ID and password in the manner as mentioned below:
- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number + Folio No. or DP ID Client ID to **9212993399**
- Example for NSDL: MYEPWD <SPACE> IN12345612345678
- Example for CDSL: MYEPWD <SPACE> 1402345612345678
- Example for Physical: MYEPWD <SPACE> XXXX1234567890
- b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call Karvy’s toll free number 1800-3454-001
- d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- If the member is already registered with Karvy e-voting platform then he can use his existing User ID and Password for casting the vote through remote e-voting.

- IX.** The remote E-Voting facility will be available during the following period:  
**Commencement of remote E-Voting: From 09:00 a.m. (IST) on September 23, 2016**  
**End of remote E-Voting: Up to 5.00 p.m. (IST) on September 25, 2016**

The remote E-Voting will not be allowed beyond the aforesaid date and time and the E-Voting Module shall be disabled by Karvy upon expiry of aforesaid period.

- X.** The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote E-Voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.mangalamseeds.com](http://www.mangalamseeds.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
- XI.** Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 26, 2016.
- XII. Instructions and other information relating to remote e-voting:**
- A. In case of Members receiving Notice through mail:**
- a. Open e-mail and open PDF File viz. ".....pdf" with you client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
  - b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
  - c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.

- d. Enter the login credentials. Your Folio No/DP ID Client ID will be your user ID.
- e. After entering the details appropriately, click on LOGIN.
- f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g. You need to login again with the new credentials.
- h. On successful login, the system will prompt you to select the EVENT i.e., **Mangalam Seeds Limited**
- i. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- k. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
- l. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

- m. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **scrutinizer mail id** with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- n. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd at Tel No. 1800 345 4001 (toll free).

**B. In case of members receiving notice through post/courier:**

- Initial password is provided, as below, in the attendance slip of the AGM.

<b>EVEN (E Voting Event Number)</b>	<b>User ID</b>	<b>Password</b>

- Please follow all steps mentioned in Sr. No. (xii)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.

**Place: Ahmedabad**

**Date: 29/08/2016**

**By Order of Board of Directors**

**For Mangalam Seeds Limited**

**CIN: L01112GJ2011PLC067128**

**Registered office:**

**202, Sampada Building, B/H Tulsi Complex**

**Mithakhali Six Road, Navrangpura,**

**Ahmedabad: 380009**

**Pravinbhai M. Patel**

**Managing Director**

**DIN: 03173769**

## **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### ***Remuneration of Mr. Pravinkumar Mafatlal Patel, Managing Director of the Company***

The Company appointed Mr. Pravinkumar Mafatlal Patel as Managing Director for a period of five years from 20th May 2015 to 19th May 2020 and remuneration was fixed at Rs. 03.00 Lakhs P.A. which was approved by the Shareholders at the Extra Ordinary General Meeting held on 20th May 2015.

Nomination and Remuneration Committee at its meeting held on May 30, 2016 approved the payment of remuneration of Rs. 6.00 Lakhs P.A. to Mr. Pravinkumar M. Patel, Managing Director, which was approved by the Board of Directors at their meeting, held on that date taking into account the excellent performance and dedication of Mr. Pravinkumar M. Patel, Managing Director, who has justified the position assigned to him.

The Board recommends the passing of the resolution by the Members of the Company, as set out in the above item of the Notice.

Mr. Pravinkumar M. Patel, Managing Director of the Company is concerned or interested in the above resolution.

None of the other Directors, Key Managerial Personnel of the Company and their relatives, in any way, concerned or interested financially or otherwise in the above said resolutions.

**Place: Ahmedabad**

**Date: 29/08/2016**

**By Order of Board of Directors**

**For Mangalam Seeds Limited**

**CIN: L01112GJ2011PLC067128**

**Registered office:**

**202, Sampada Building, B/H Tulsi Complex**

**Mithakhali Six Road, Navrangpura,**

**Ahmedabad: 380009**

**Pravinbhai M. Patel**

**Managing Director**

**DIN: 03173769**



## DIRECTORS REPORT

Dear Members,

Your Directors have immense pleasure in presenting the 5<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2016. The summarized financial performance for the year ended 31<sup>st</sup> March, 2016 is as follows:

### 1. FINANCIAL PERFORMANCE:

(Rs. in Lakhs)

Particulars	March 31, 2016	March 31, 2015
Net Sales	2383.06	1511.55
Other Income	2.84	1.57
Total	2385.90	1513.12
Profit before depreciation, taxation & Extraordinary Items	262.86	150.32
Less: Depreciation	34.49	21.70
Less: Provision for taxation	10.82	8.65
Less: Prior period Items	-	5.27
Profit after taxation	217.54	114.70
Add: Balance brought forward from previous year	147.76	33.55
Surplus available for appropriation	365.30	148.25
<b>Appropriations</b>		
General Reserves	Nil	Nil
Less: Proposed Dividend	43.02	Nil
Tax on Dividend	8.76	Nil
Accelerated depreciation on fixed asset	Nil	0.49
Balance carried to Balance sheet	313.52	147.76
<b>Total</b>	<b>313.52</b>	<b>147.76</b>

### 2. DIVIDEND:

The Board, in its meeting held on May 30, 2016, recommended a dividend of Rs. 1/- per equity share for the financial year ended March 31, 2015. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September 26, 2016. The total dividend appropriation (excluding dividend tax) for the current year is Rs. 5.49 Lakhs. The Register of Members and Share Transfer Books will remain closed on September 19, 2016 for the purpose of payment of the final dividend for the financial year ended March 31, 2016 and

the Annual General Meeting. The Annual General Meeting is scheduled to be held on September 26, 2016.

### **3. OPERATIONAL REVIEW:**

Net revenue increased to Rs. 2383.06 Lakhs, a growth of around 57.66% against Rs. 1511.55 Lakhs in the previous year. Profit before depreciation, Taxation and Extraordinary Item was Rs. 262.86 Lakhs as against Rs. 150.32 Lakhs in the previous year. After providing for depreciation, taxation and Extraordinary Item of Rs. 34.49 Lakhs, Rs. 20.05 Lakhs and Rs. 0.00 respectively, the net profit of the Company for the year under review was placed at Rs. 217.54 as against Rs. 114.70 in the previous year.

Due to tough market conditions the company's turnover in terms of value has increased only at a marginal rate of 57.66% during the year under review. However, the profit after tax has increased by 89.67% compare to previous year as the Company has started own farming instead of Contract farming, which resulted in lowering expenditure relating to Cost of Material Consumed of the Company.

### **4. SHARE CAPITAL:**

The paid up equity capital as on March 31, 2016 was Rs. 430.20 Lakhs. During the year under review, the Company got its shares listed on SME Platform of Bombay Stock Exchange Limited on August 12, 2015 by Initial Public Offer of 11,40,000 Equity Shares. Further the Company has issued 20,18,251 Bonus shares of Rs. 10/- per equity share to the shareholders on May 08, 2015 and 2,12,328 equity shares at Rs. 50 including securities premium of Rs. 40 per share under private placement on May 15, 2015. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### **5. FINANCE:**

Cash and cash equivalents as at March 31, 2016 was Rs. 149.87 Lakhs. The company continues to focus on judicious management of its working capital,

Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

**6. FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements provided in this Annual Report.

**8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

**9. CONSERVATION OF ENERGY:**

- a) Company ensures that the operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- c) Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

**10. TECHNOLOGY ABSORPTION:**

Company's products are grown by using in-house know how and no outside technology is being used for operational activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and

improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

## **11. RESEARCH & DEVELOPMENT:**

### **A) Details of R & D Activity**

- The Company has a Research & Development unit working under the expertise of eminent scientist Dr. Ishwar D. Patel, Ex. Scientist G.A.U., Gujarat.
- The company has two Research & Development farms, situated at Maktupur and Valad village having land of 14.25 acres and 33.71 acres respectively.

### **B) Future Plan of Action**

- Innovation is a journey and your company is well placed to ensure that it continues to maintain a strong track record in this field.

## **12. FOREIGN EXCHANGE EARNINGS AND OUT-GO :**

During the period under review there was no foreign exchange earnings or out flow.

## **13. INDUSTRIAL RELATIONS:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## **14. BOARD OF DIRECTORS:**

### **A) Composition, Category of Directors and their directorship as on March 31, 2016.**

<b>Name of the Director</b>	<b>Category of Directorship</b>	<b>No. of Directorship in other Companies</b>
<b>Shri Pravinbhai M. Patel</b>	Managing Director	5

<b>Shri Mafatbhai J. Patel</b>	Chairman	3
<b>Shri Dhanajibhai S. Patel</b>	Executive Director	3
<b>Shri Samir J. Shah</b>	Independent Director	Nil
<b>Shri Mukesh R. Sheth</b>	Independent Director	Nil
<b>Smt. Riddhi Nimit Shah</b>	Independent Director	Nil

## **B) Meetings**

During the year 14 (FOURTEEN) Board Meetings were convened and held. The details of which are annexed herewith as “Annexure III”. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **15. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **16. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Details have been given in Form AOC-2 annexed.

#### **17. SUBSIDIARY COMPANIES:**

The Company has Four Subsidiary companies.

<b>Sr. No</b>	<b>Name of the Company</b>	<b>% of Shares held</b>
1.	Mangalam Nutrifeeds Private Limited	100.00%
2.	Unjha Psyllium Private Limited	100.00%
3.	Unjha Spices Private Limited	100.00%
4.	Kiositech Engineering Limited	99.94%

#### **18. MANAGEMENT DISCUSSION & ANALYSIS:**

In compliance with Regulation 34(3) read with Schedule V(B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Management Discussion and Analysis forms part of this Annual Report.

#### **19. CORPORATE GOVERNANCE REPORT:**

In compliance with Regulation 34(3) read with Schedule V(C) of the Listing Regulations, a Report on Corporate Governance forms part of this Annual Report. The Auditors' certificate certifying compliance with the conditions of corporate

governance as prescribed under Schedule V(E) of the Listing Regulations is annexed to the Corporate Governance Report.

## **20. AUDITOR'S REPORT:**

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

## **21. AUDITORS:**

At the Annual General Meeting held on July 31, 2016, Piyush J. Shah & Co., Chartered Accountants, Ahmedabad, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in 2020. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of Piyush J Shah & Co., Chartered Accountants, as statutory auditors of the Company is placed for ratification by the Shareholders.

## **22. SECRETARIAL AUDIT:**

Monika Bhatia, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report does not contain any qualification, reservation or adverse mark.

## **23. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure".

## **24. ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, government authorities, customers, vendors, farmers, employees and the members during the year under review.

**Place: Ahmedabad**

**Date: 29/08/2016**

**By Order of Board of Directors**

**For Mangalam Seeds Limited**

**CIN: L01112GJ2011PLC067128**

**Registered office:**

**202, Sampada Building, B/H Tulsi Complex**

**Mithakhali Six Road, Navrangpura,**

**Ahmedabad: 380009**

**Pravinbhai M. Patel**

**Managing Director**

**DIN: 03173769**



**Annexure I**

**FORM AOC-1**

**Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the  
companies (Accounts) Rules, 2014)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>	<b>Details</b>	<b>Details</b>	<b>Details</b>
1	Name of Subsidiary	Mangalam Nutrifeeds Private Limited	Unjha Spices Private Limited	Unjha Psyllium Private Limited	Kiositech Engineering Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR	INR	INR	INR
4	Share Capital	100,000	100,000	100,000	100,000
5	Reserves & Surplus	6,410	(82,494)	(73,806)	(27,820)
6	Total Assets	3,326,893	524,786	536,619	103,495
7	Total Liabilities	3,220,483	507,280	510,425	31,315
8	Investments	-	-	-	-
9	Turnover	3,375,274	-	-	-
10	Profit before Taxation	16,329	(82,494)	(73,806)	(31,315)
11	Profit after Taxation	6,410	(82,494)	(73,806)	(27,820)
12	Proposed Dividend	-	-	-	-
13	% of Shareholding	100.00	100.00	100.00	99.94

**Notes:**

1. Names of subsidiaries which are yet to commence operations:
  - **Unjha Spices Private Limited**
  - **Unjha Psyllium Private Limited**
  - **Kiositech Engineering Limited**
2. Names of subsidiaries which have been liquidated or sold during the year: **NIL**

**On behalf of Board of Directors**

**Pravin Patel**  
**Managing Director**

**Annexure II**  
**FORM AOC-2**

***(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies, 2013 including certain arm's length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Mangalam Seeds Limited (the Company) has not entered into any contract/ arrangement / transaction with its related parties which is not in ordinary course of business or not at arm's length during F.Y. 2015-16.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

<b>Name of Related Party/ Nature of Contracts</b>	<b>Nature of relationship</b>	<b>Salient Terms</b>	<b>Amount</b>
<b>Mangalam Nutrifeeds Private Limited</b>	<b>Subsidiary</b>		
Sale of Goods		Based on Transfer pricing guidelines	414,735
Loans & Advances			2,200,000
Other Current Receivables		Payable on Demand	22,390
<b>Kiositech Engineering Limited</b>	<b>Subsidiary</b>		
Investment in Shares		Not Applicable	99,940
Other Current Receivables		Payable on Demand	14,140
<b>Kashvin Seeds Private Limited</b>	<b>Group Entity</b>		
Sale of Goods		Based on Transfer pricing guidelines	1,785,000
<b>Shri Mafatlal J. Patel</b>	<b>Chairman</b>		
Remuneration			420,000
Allotment of Shares against Cash		Not Applicable	4,509
Allotment of Bonus Shares		Not Applicable	204,490
Lease Rent and Reimbursement of Expenses			2,529,900
Rent Paid			1,126,875

<b>Shri Pravin M. Patel</b>	<b>M.D.</b>		
Remuneration			300,000
Office Rent			180,000
Allotment of Shares against Cash		Not Applicable	11,905
Allotment of Bonus Shares		Not Applicable	271,375
<b>Shri Dhanajibhai S. Patel</b>	<b>Executive Director</b>		
Remuneration			420,000
Allotment of Shares against Cash		Not Applicable	26,046
Allotment of Bonus Shares		Not Applicable	237,001
<b>Smt. Chhayaben P. Patel</b>	<b>Relative of KMP</b>		
Salary			300,000
Allotment of Shares against Cash		Not Applicable	6,512
<b>Smt. Shantaben M. Patel</b>	<b>Relative of KMP</b>		
Salary			180,000
Allotment of Shares against Cash		Not Applicable	10,551
<b>Smt. Induben D. Patel</b>	<b>Relative of KMP</b>		
Salary			180,000
Allotment of Shares against Cash		Not Applicable	3,682
<b>Shri Revabhai J. Patel</b>	<b>Relative of KMP</b>		
Salary			600,000
Rent Paid			1,690,725
Deposit			1,000,000
Allotment of Shares against Cash		Not Applicable	12,099
Allotment of Bonus Shares		Not Applicable	254,456
<b>Shri Narsinhbhai J. Patel</b>	<b>Relative of KMP</b>		
Salary			600,000
Rent Paid			629,975
Lease Rent and Reimbursement of Expenses			4,110,300
Allotment of Shares against Cash		Not Applicable	25,735
Allotment of Bonus Shares		Not Applicable	243,273
<b>Shri Nathabhai J. Patel</b>	<b>Relative of KMP</b>		
Rent Paid			740,575
<b>Patel Krushi Seva Kendra</b>	<b>Enterprise over which Director has significant influence</b>		
Purchase of Goods			136,640
<b>Mafatlal J. Patel- HUF</b>	<b>Enterprise over which Director has significant influence</b>		
Allotment of Shares against Cash		Not Applicable	2,983
Allotment of Bonus Shares		Not Applicable	37,700

<b>Pravin M. Patel-HUF</b>	<b>Enterprise over which KMP has significant influence</b>		
Allotment of Bonus Shares		Not Applicable	51,545
<b>Dhanajibhai S. Patel-HUF</b>	<b>Enterprise over which Director has significant influence</b>		
Allotment of Bonus Shares-HUF		Not Applicable	45,554

***Note: The above disclosures on material transactions are based on the principle that transactions with wholly owned subsidiaries are exempt for purpose of section 188(1) of the Act.***

**On behalf of Board of Directors**

**Pravin Patel  
Managing Director**

**Annexure III**  
**Details of Board Meeting held during Financial Year**

**Number of Board meetings held with Dates:**

Fourteen Board meetings were held during the year, as against the minimum requirement of four meetings. The details of Board meetings are given below:

<b>Date</b>	<b>Board Strength</b>	<b>No of Directors present</b>
<b>April 01, 2015</b>	<b>3</b>	<b>3</b>
<b>April 27, 2015</b>	<b>3</b>	<b>3</b>
<b>May 08, 2015</b>	<b>3</b>	<b>3</b>
<b>May 15, 2015</b>	<b>3</b>	<b>3</b>
<b>May 18, 2015</b>	<b>3</b>	<b>3</b>
<b>May 20, 2015</b>	<b>3</b>	<b>3</b>
<b>July 23, 2015</b>	<b>6</b>	<b>6</b>
<b>August 10, 2015</b>	<b>6</b>	<b>6</b>
<b>October 26, 2015</b>	<b>6</b>	<b>6</b>
<b>November 20, 2015</b>	<b>6</b>	<b>6</b>
<b>December 10, 2015</b>	<b>6</b>	<b>6</b>
<b>January 27, 2016</b>	<b>6</b>	<b>6</b>
<b>January 29, 2016</b>	<b>6</b>	<b>6</b>
<b>March 05, 2016</b>	<b>6</b>	<b>6</b>

**Annexure IV**

**ATTENDANCE OF DIRECTORS AT BOARD MEETINGS, LAST ANNUAL GENERAL MEETING (AGM)**

<b>Name of Directors</b>	<b>Attendance at meeting during 2015-16</b>	<b>Attendance at AGM</b>
<b>Pravinkumar Mafatlal Patel</b>	<b>14</b>	<b>Yes</b>
<b>Mafatlal Jethalal Patel</b>	<b>14</b>	<b>Yes</b>
<b>Dhanajibhai Shivrambhai Patel</b>	<b>14</b>	<b>Yes</b>
<b>Riddhi Nimit Shah</b>	<b>8</b>	<b>Yes</b>
<b>Mukesh Ravinchandra Sheth</b>	<b>8</b>	<b>Yes</b>
<b>Samir Jitendrabhai Shah</b>	<b>8</b>	<b>Yes</b>

## Annexure V

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN As on the year ended on March 31, 2016

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

#### I. REGISTRATION AND OTHER DETAILS:

1. Company Identification Number	L01112GJ2011PLC067128
2. Incorporation Date	September 14, 2011
3. Name of the Company	Mangalam Seeds Limited
4. Category / Sub category of the Company	Company Limited by Shares
5. Address of the Registered Office of the Company	202, Sampada Building, Behind Tulsi Complex, Mithakhali Six Road, Navrangpura, Ahmedabad – 380009 Gujarat.
6. Whether listed Company	Yes
7. Website	www.mangalamseeds.com
8. Name, address and contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Contact Person: Ms. Varalakshmi Assistant General Manager Tele:+91 40 6716 1514 E-mail: vlakshmi.p@karvy.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of Main product / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Production & Marketing of Hybrid Seeds	6810	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name of the Company	CIN	Holding / Subsidiary	% of Shares held
--------	---------------------	-----	----------------------	------------------



1.	Mangalam Nutrifeeds Private Limited	U01210GJ2015PTC082265	Subsidiary	100.00%
2.	Unjha Psyllium Private Limited	U15510GJ2015PTC082266	Subsidiary	100.00%
3.	Unjha Spices Private Limited	U15400GJ2015PTC082259	Subsidiary	100.00%
4.	Kiositech Engineering Limited	U29242GJ2015PLC085439	Subsidiary	99.94%

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding

	Category of the Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	<b>PROMOTERS &amp; PROMOTER GROUPS</b>									
1)	Indian									
a)	Individual/HUF	0	931500	931500	100.00	3162079	0	3162079	73.50	239.46
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt.	0	0	0	0	0	0	0	0	0
d)	Bodies Corporate	0	0	0	0	0	0	0	0	0
e)	Banks/FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
	<b>SUB Total (A)(1)</b>	0	931500	931500	100.00	3162079	0	3162079	73.50	239.46
2)	Foreign									
a)	NRI-Individuals	0	0	0	0	0	0	0	0	0
b)	Other-Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Banks/FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL (A)(2)</b>	0	0	0	0	0	0	0	0	0
	<b>TOTAL SHAREHOLDING OF PROMOTERS (A)=(A)(1)+(A)(2)</b>	0	931500	931500	100.00	3162079	0	3162079	73.50	239.46
B	<b>PUBLIC SHAREHOLDING</b>									
1)	Institutions	0	0	0	0	0	0	0	0	0
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks/FI	0	0	0	0	0	0	0	0	0
c)	Central Govt.	0	0	0	0	0	0	0	0	0

d)	State Govt.	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FII's	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1)</b>		0	0	0	0	0	0	0	0	0
2)	Non-Institutions									
a)	Bodies Corporate									
i)	Indian	0	0	0	0	99000	0	99000	2.30	0
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individuals shareholders holding nominal share capital up to ₹ 2 Lac	0	0	0	0	612000	0	612000	14.23	0
ii)	Individuals shareholders holding nominal share capital in excess of ₹ 2 Lac	0	0	0	0	396000	0	396000	9.20	0
c)	Others	0	0	0	0	33000	0	33000	0.77	0
<b>SUB TOTAL (B)(2)</b>		0	0	0	0	1140000	0	1140000	26.50	0
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>		0	0	0	0	1140000	0	1140000	26.50	0
C	SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL(A+B+C)</b>		0	931500	931500	100.00	4302079	0	4302079	100.00	361.84

## (ii) Shareholding of Promoters

Name of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2015)				No. of Shares held at the end of the Year (As on March 31, 2016)				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Pravin M. Patel	0	64093	64093	6.88	424073	0	424073	9.86	2.98
Dhanaji S. Pate	0	80958	80958	8.69	372432	0	372432	8.66	(0.03)
Mafatlal J. Patel	0	141500	141500	15.19	310806	0	310806	7.22	(7.97)
<b>TOTAL</b>	<b>0</b>	<b>286551</b>	<b>286551</b>	<b>30.76</b>	<b>1107311</b>	<b>0</b>	<b>1107311</b>	<b>25.74</b>	<b>(5.02)</b>

(iii) Change In Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (As on April 01, 2015)		Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Pravinkumar M. Patel</b>				
	At the beginning of the year	64093	6.88	-	-
	Transfer (May 05, 2015)	61157		125250	
	Bonus Issue (May 08, 2015)	271375		396625	
	Transfer (May 09, 2015)	15543		412168	
	Preferential Allotment (May 15, 2015)	11905		424073	
	At the end of the year	424073		424073	
2.	<b>Mafatlal J. Patel</b>				
	At the beginning of the year	141500	15.19	-	-
	Transfer (May 05, 2015)	(47120)		94380	
	Bonus Issue (May 08, 2015)	204490		298870	
	Transfer (May 09, 2015)	7427		306297	
	Preferential Allotment (May 15, 2015)	4509		310806	
	At the end of the year	310806		310806	
3.	<b>Dhanajibhai S. Patel</b>				
	At the beginning of the year	80958	8.69	-	-
	Transfer (May 05, 2015)	28427		109385	
	Bonus Issue (May 08, 2015)	237001		346386	
	Preferential Allotment (May 15, 2015)	26046		372432	
	At the end of the year	372432		372432	

(iv) Shareholding pattern of top ten Shareholders (Other than Directors and Promoters)

Sr. No.	Name of Shareholder	No. of Shares at the beginning of the year	Increase / Decrease in Shareholding	No. of Shares at the end of the year
1.	<b>Mr. Revabhai J. Patel</b>	141130		
	Transfer (May 05, 2015)		(23689)	
	Bonus Issue (May 08, 2015)		254456	
	Transfer (May 09, 2015)		6592	
	Preferential Allotment (May 15, 2015)		12099	
	At the end of the Year			390588
2.	<b>Mr. Narsinhbhai J. Patel</b>	140255		
	Transfer (May 05, 2015)		(27975)	
	Bonus Issue (May 08, 2015)		243273	

	Transfer (May 09, 2015)		(29296)	
	Preferential Allotment (May 15, 2015)		25735	
	At the end of the Year			351992
<b>3.</b>	<b>Mr. Kalpeshkumar N. Patel</b>	58880		
	Transfer (May 05, 2015)		37815	
	Bonus Issue (May 08, 2015)		209506	
	Transfer (May 09, 2015)		13114	
	Transfer (June 01, 2015)		31620	
	At the end of the Year			350935
<b>4.</b>	<b>Mr. Pradipkumar N. Patel</b>	63700		
	Transfer (May 05, 2015)		44555	
	Bonus Issue (May 08, 2015)		234553	
	Preferential Allotment (May 15, 2015)		10864	
	Transfer (June 01, 2015)		(36645)	
	At the end of the Year			317027
<b>5.</b>	<b>Mrs. Boshoby U. Patel</b>	0		
	Allotment during year		132000	
	At the end of the year			132000
<b>6.</b>	<b>Mr. Kalpeshkumar N. Patel –HUF</b>	24400		
	Bonus Issue (May 08, 2015)		52867	
	At the end of the year			77267
<b>7.</b>	<b>Mr. Pravinbhai M. Patel-HUF</b>	23790		
	Bonus Issue (May 08, 2015)		51545	
	At the end of the year			75335
<b>8.</b>	<b>Mr. Narsinhbhai J. Patel-HUF</b>	23345		
	Bonus Issue (May 08, 2015)		50581	
	At the end of the year			73926
<b>9.</b>	<b>Revabhai J. Patel – HUF</b>	22284		
	Bonus Issue (May 08, 2015)		48282	
	At the end of the year			70566
<b>10.</b>	<b>Dhanjibhai S. Patel – HUF</b>	21025		
	Bonus Issue (May 08, 2015)		45554	
	At the end of the year			66579

(v) Shareholding of Directors

Name of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2015)				No. of Shares held at the end of the Year (As on March 31, 2016)				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Mr. Pravinbhai M. Patel</b>	0	64093	64093	6.88	424073	0	424073	9.86	2.98
<b>Mr. Dhanajibhai S. Patel</b>	0	80958	80958	8.69	372432	0	372432	8.66	(0.03)
<b>Mr. Mafatbhai J. Patel</b>	0	141500	141500	15.19	310806	0	310806	7.22	(7.97)
<b>TOTAL</b>	<b>0</b>	<b>286551</b>	<b>286551</b>	<b>30.76</b>	<b>1107311</b>	<b>0</b>	<b>1107311</b>	<b>25.74</b>	<b>(5.02)</b>

## V. INDEBTNESS

(Rs. in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtness at the beginning of the year</b>				
i) Principal Amount	327.01	0	0	327.01
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>327.01</b>	<b>0</b>	<b>0</b>	<b>327.01</b>
<b>Change in Indebtness</b>				
Addition	182.09	0	0	182.09
Reduction	0	0	0	0
<b>Indebtness at the end of the year</b>				
i) Principal Amount	509.10	0	0	509.10
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total</b>	<b>509.10</b>	<b>0</b>	<b>0</b>	<b>509.10</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Managing Director	Mr. Pravinbhai M. Patel	3.00

### B. Remuneration to other directors:

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Person	Total Amount
1.	Independent Directors	Not Applicable	
2.	Other Executive Directors	Mr. Dhanajibhai S. Patel	4.20
		Mr. Mafatbhai J. Patel	4.20
<b>Total Remuneration</b>			<b>8.40</b>

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1	Company Secretary	Rujavi P. Chalishajar	1.56
2	Chief Financial Officer	Ankit M. Soni	2.60
<b>Total Remuneration</b>			<b>4.16</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, (if any)
A. Company			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other officers in Default					
Penalty					
Punishment					
Compounding					

Place: Ahmedabad

Date: 29/08/2016

By Order of Board of Directors

For Mangalam Seeds Limited

CIN: L01112GJ2011PLC067128

Registered office:

202, Sampada Building, B/H Tulsi Complex

Mithakhali Six Road, Navrangpura,

Ahmedabad: 380009

Pravinbhai M. Patel

Managing Director

DIN: 03173769

**STATEMENT OF PARTICULARS AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

<b>Sl. No.</b>	<b>Name of Director/ Key Managerial Personnel and Designation</b>	<b>Remuneration of Director / Key Managerial Personnel for the year ended March 31, 2016 (Rs. in lakhs)</b>	<b>% increase in the remuneration in the year ended March 31, 2016</b>	<b>Ratio in the remuneration of each Director to the median remuneration of the employees</b>	<b>Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company</b>
1	Mr. Mafatlal Patel, Chairman	4.20	252.94	1.67	Standalone profit after tax (PAT) for the year 2015-16, increased by 89.67%.
2	Mr. Pravinkumar Patel, Managing Director	3.00	152.10	1.19	
3	Mr. Dhanajibhai Patel, Director	4.20	252.94	1.67	
4	Mr. Mukesh Sheth, Independent Director	0.00	-	-	
5	Mr. Samir Shah, Independent Director	0.00	-	-	
6	Mrs. Riddhi Shah, Independent Director	0.00	-	-	
7	Mr. Ankit Soni, CFO	3.00	-	1.19	
8	Ms. Rujavi Chalishajar, Company Secretary	1.80	-	0.71	

1. The Independent Directors, Chief Financial Officer and Company Secretary joined on May 20, 2015. Remuneration mentioned above is for full year.

2. The median remuneration of employees of the Company during the year ended March 31, 2016 was Rs. 2.52 Lakhs.
3. During the year ended March 31, 2016, there was an increase of 10.53% in the median remuneration of employees.
4. As on March 31, 2016, the Company had 35 permanent employees.
5. **Relationship between average increase in the remuneration and performance of the Company:**  
PAT for the year ended March 31, 2016 increased by 89.67% and the median remuneration by 10.53%.
6. **Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:**  
While PAT rose by 89.67% from Rs. 114.70 Lakhs in 2014-15 to Rs. 217.54 Lakhs in 2015-16, the total remuneration of Key Managerial Personnel is Rs. 7.16 Lakhs in 2015-16.
7. The Company came with an Initial Public Offer in July 2016 at the price of Rs. 50/- per equity share of Rs. 10/- each. As on March 31, 2016, the closing price of the Company's share was Rs. 71.70 on BSE Limited.
8. During the financial year 2015-16, there was an average 11.85% increase in the salaries of employees other than the key managerial personnel.
9. During the year ended, March 31, 2016, there were 5 employees, who are not a director of the Company and in receipt of remuneration in excess of the highest paid director of the Company.



# REPORT ON CORPORATE GOVERNANCE

## 1. Company's Philosophy on Code of Corporate Governance

The philosophy on Corporate Governance is an important tool for shareholder protection and maximization of their long term values. The cardinal principles such as independence, **accountability**, **responsibility**, **transparency**, fair and timely disclosures, credibility etc. serve as the means of implementing the philosophy of Corporate Governance in letter and spirit. The Company aims to achieve greater transparency by making adequate disclosures and enhancing long term economic value of its Shareholders, while giving equal respect to the society at large. The Company firmly believes that good governance practices stem from the dynamic culture and positive mindset of the organization.



## 2. Board of Directors

### Composition of the Board of Directors

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board of the Company is composed of individuals from diverse fields. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

As on March 31, 2016, we had three Executive Directors and three Non-Executive Directors who are Independent Directors and free from any business or other relationship that could materially influence their judgement. Details of

Directors as on March 31, 2016 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2016 are given below:

Particulars	Attendance Particulars				Other Committee Membership	
	Category	Board Meeting	Last AGM	Other Directorship	Member	Chairman
<b>Mafatlal Jethabhai Patel</b>	CM-ED	14	Yes	3	NIL	NIL
<b>Pravinkumar Mafatlal Patel</b>	MD	14	Yes	5	NIL	NIL
<b>Dhanajibhai Shivrambhai Patel</b>	ED	14	Yes	2	NIL	NIL
<b>Samir Jitendrabhai Shah</b>	ID	9	Yes	NIL	NIL	3
<b>Mukesh Ravinchandra Sheth</b>	ID	9	Yes	NIL	3	NIL
<b>Riddhi Nimit Shah</b>	WID	9	Yes	NIL	3	NIL

CM-Chairman, MD- Managing Director, ED- Executive Director, ID-Independent Director and WID- Woman Independent Director

### BOARD MEETINGS

The gap between two Board meetings did not exceed 120 days. The schedule of Board/Committee meetings are communicated in advance to the directors/committee members to enable them to plan their schedules and to ensure their meaningful participation in the meetings. The Board met fourteen times in financial year details of which are summarized as below:

Sr No.	Date of Meeting	Board Strength	No. of Directors Present
1	01/04/2015	3	3
2	27/04/2015	3	3
3	08/05/2015	3	3

4	15/05/2015	3	3
5	18/05/2015	3	3
6	20/05/2015	3	3
7	23/07/2015	6	6
8	10/08/2015	6	6
9	26/10/2015	6	6
10	20/11/2015	6	6
11	10/12/2015	6	6
12	27/01/2016	6	6
13	29/01/2016	6	6
14	05/03/2016	6	6

### 3. AUDIT COMMITTEE

The role of the Audit Committee is in accordance with the provisions of the Listing Agreement and Section 177 of the Companies Act, 2013 which shall include the following:

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (C) of sub-section 3 of section 134 of the Companies Act, 2013.

- b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
  - 6) Review and monitor the auditor's independence and performance and effectiveness of audit process.
  - 7) Approval or any subsequent modification of transactions of the company with related parties.
  - 8) Evaluation of internal financial controls and risk management systems.
  - 9) Reviewing the adequacy of internal audit function.
  - 10) Discussion with internal auditors any significant findings and follow up there on
  - 11) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Statutory Auditors are the invitees to the Audit Committee meetings. During the period under review, the Audit Committee met three times viz 26/10/2015, 29/01/2016 and 05/03/2016 and was attended by all members. The gap between two consecutive meetings did not exceed 120 days.

The Composition of the Audit Committee and details of participation of the members during the financial year ended March 31, 2016 were as under.

<b>Name</b>	<b>Designation</b>	<b>No of meetings attended</b>
<b>Samir Jitendrabhai Shah</b>	Chairman	3

<b>Mukesh Ravinchandra Sheth</b>	Member	3
<b>Riddhi Nimit Shah</b>	Member	3

Ms. Rujavi Chalishajar, Compliance Officer acts as Secretary to the Committee.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

It is mandatory for all listed companies to constitute a Nomination & Remuneration Committee (N&RC) to take care of the nomination of Directors, KMP, etc. and remuneration related matters of the Directors, KMPs and Employees, etc.

The Terms of reference of the Nomination & Remuneration Committee include followings:

- 1) To identify persons who may be appointed in senior management and carry out evaluation of every Director's performance.
- 2) The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 3) Regularly review the Human Resource function of the Company
- 4) Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
- 5) Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

Committee met three times during F.Y. 2015-16 viz. 26/10/2015, 29/01/2016 and 05/03/2016. The Composition of the Nomination & Remuneration Committee and details of participation of the Members at the Meetings of the Committee are as under:

<b>Name</b>	<b>Designation</b>	<b>No of meetings attended</b>
<b>Samir Jitendrabhai Shah</b>	Chairman	3
<b>Mukesh Ravinchandra Sheth</b>	Member	3
<b>Riddhi Nimit Shah</b>	Member	3

Ms. Rujavi Chalishajar, Compliance Officer acts as Secretary to the Committee.

#### **5. STAKEHOLDER RELATIONSHIP COMMITTEE**

The terms of reference of the Committee include reviewing and redressing complaints from shareholders such as non-receipt of annual report, transfer of shares, issue of duplicate share certificates, etc.; to oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities; to oversee the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services; and to perform any other function, duty as stipulated by the Companies Act, Securities & Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as amended from time to time.

Committee met three times during F.Y. 2015-16 viz. 26/10/2015, 29/01/2016 and 05/03/2016. The Composition of the Stakeholders Relationship Committee and details of Members participation at the Meetings of the Committee are as under:

<b>Name</b>	<b>Designation</b>	<b>No of meetings attended</b>
<b>Samir Jitendrabhai Shah</b>	Chairman	3
<b>Mukesh Ravinchandra Sheth</b>	Member	3
<b>Riddhi Nimit Shah</b>	Member	3

Ms. Rujavi Chalishajar, Compliance Officer acts as Secretary to the Committee.

In addition, Details of Shareholders' Complaints received during the year are as follows:

Particulars	No. of Complaints
Investor complaints pending as at August 12, 2015	NIL
Investor complaints received during the year ended on March 31, 2016	NIL
Investor complaints resolved during the year ended March 31, 2016	NIL
Investor complaints pending as on March 31, 2016	NIL

#### 6. SPECIAL RESOLUTIONS PASSED AT THE LAST 3 AGMS

Year	Venue Of AGM	Day, Date & Time	Number of special resolution passed
2012-13	202, Sampada Complex, B/h. Tulsi Complex, Mithakhali Six Roads, Navrangpura,Ahmedabad	Monday, 30 <sup>th</sup> September, 2013 12:00 noon	Nil
2013-14	202, Sampada Complex, B/h. Tulsi Complex, Mithakhali Six Roads, Navrangpura,Ahmedabad	Tuesday, 30 <sup>th</sup> September, 2014 12:00 noon	Nil
2014-15	202, Sampada Complex, B/h. Tulsi Complex, Mithakhali Six Roads, Navrangpura,Ahmedabad	Friday, 31 <sup>st</sup> July, 2015 12:00 noon	Nil

#### 7. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

All transactions entered into by the Company with related parties during the financial year were in the ordinary course of business and on an arm's length pricing basis. No transaction with any related party was in conflict with the interests of the Company. All related party transactions are placed on quarterly basis before the Audit Committee and also before the Board for approval. Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

#### 8. MEANS OF COMMUNICATION

Half Yearly and Annual Financial Results of the Company are submitted to the Stock Exchanges immediately after the Board approves them via BSE Online

Portal- BSE Corporate Compliance & Listing Centre. Disclosures pursuant to various clauses of the Listing Agreement are promptly communicated to the Stock Exchanges. No formal presentation was made to the institutional investors or to the analysts during the year under review.

Management Discussion and Analysis forms Part of the Annual Report, which is sent to the Shareholders of the Company.

## 9. GENERAL SHAREHOLDER INFORMATION

- **Registered Office**

202, Sampada Complex, B/h. Tulsi Complex, Mithakhali Six Roads, Navrangpura, Ahmedabad- 380009, Gujarat.

- **Exclusive e-mail id for investor grievances**

The following E-mail id has been exclusively designated for communicating Investor Grievances:

[investorrelations@mangalamseeds.com](mailto:investorrelations@mangalamseeds.com)

Person in charge of the Department is Ms. Rujavi Chalisehajar.

- **Annual General Meeting**

The 5<sup>th</sup> Annual General Meeting will be held on Monday, 26<sup>th</sup> September, 2016 at 02:00 P.M. at 202, Sampada Complex, B/h. Tulsi Complex, Mithakhali Six Roads, Navrangpura, Ahmedahad - 380009.

- **Financial Calendar**

<b>Financial Reporting for the half year ended on 30<sup>th</sup> September, 2015</b>	<b>Before 14<sup>th</sup> November, 2015</b>
<b>Financial Reporting for the half year ended on 31<sup>st</sup> March, 2016</b>	<b>Before 31<sup>st</sup> May, 2016</b>

- **Book Closure**

The Register of Members and the Share Transfer Register were closed on 19<sup>th</sup> September, 2016.



- **Dividend Payment Date**

Final Dividend of 1/- per equity share for the Financial Year 2015-16 has been recommended by the Board of Directors to shareholders for their approval. If approved, the dividend shall be paid from 30 days from the date of declaration .

- **Shares Listed At**

The equity shares of the Company are listed at SME Platform of Bombay Stock Exchange Limited (BSE) Annual Listing fees for the year 2016-17 have been paid to Bombay Stock Exchange. The Company has also paid the Annual Custodial fees to both the depositories.

- **Stock Codes**

The stock code of the Company at BSE is **539275**.

- **International Securities Identification Number (ISIN)**

ISIN is a unique identification number allotted to dematerialized scrip. The ISIN has to be quoted in each transaction relating to dematerialized shares of the Company. The ISIN of the equity shares of the Company is **INE 829S01016**.

- **Corporate Identity Number (CIN)**

CIN of the Company, allotted by the Ministry of Corporate Affairs, Government of India: **L01112GJ2011PLC067128**.

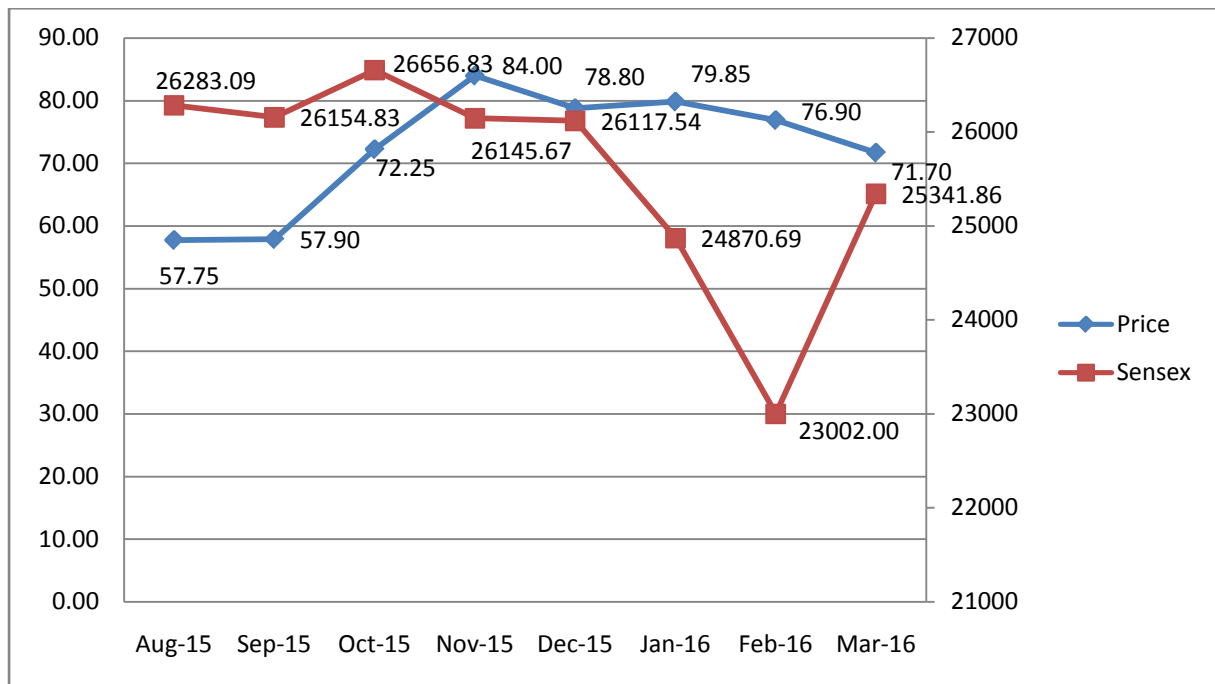
- **High/Low of monthly Market Price of the Company's Equity Shares**

Monthly High/Low Quotations Index during the Financial Year 2015-16 were as follows:

<b>Particulars</b>	<b>High (in Rs.)</b>	<b>Low (in Rs.)</b>
<b>August, 2015</b>	57.75	53.00
<b>September, 2015</b>	57.90	54.50
<b>October, 2015</b>	72.25	55.90
<b>November, 2015</b>	84.00	67.35
<b>December, 2015</b>	78.80	69.55

<b>January, 2016</b>	79.85	68.00
<b>February, 2016</b>	76.90	66.25
<b>March, 2016</b>	71.70	60.30

- **Performance of Mangalam Equity Shares**



- **Share Transfer System**

Company's shares in dematerialized form are transferable through depositories. The Committee meets at a regular interval to consider and approve the transfer, transmission, issuance of duplicate/ consolidated/ sub-divided share certificates and requests for dematerialization/ rematerialisation of Company's shares.

In terms of Regulation 7(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, every six months, Company Secretary undertakes audit of the share transfer related activities and issues a compliance certificate, which is submitted to the Stock Exchange.

- **Distribution Of Shareholding (As On March 31, 2016)**

On the basis of Shares held

Sr.no	Category	Cases	% of Cases	Amount	% Amount
1	5001 - 10000	1	0.57	10000.00	0.02
2	20001 - 30000	101	57.39	3030000.00	7.04
3	30001 - 40000	1	0.57	36820.00	0.09
4	40001 - 50000	2	1.14	91570.00	0.21
5	50001 - 100000	26	14.77	1851690.00	4.30
6	100001 & Above	45	25.57	38000710.00	88.33
	<b>Total:</b>	<b>176</b>	<b>100.00</b>	<b>43020790.00</b>	<b>100.00</b>

On the basis of category

Category	No of shares held	% of total shares held
<b>Resident Individual</b>	942000	21.90
<b>Private corporate bodies</b>	99000	2.30
<b>Promoters and Promoters Group</b>	3162079	73.50
<b>Nonresident Indian</b>	24000	0.56
<b>Hindu Undivided Family</b>	66000	1.53
<b>Clearing Member</b>	9000	0.21
<b>Total</b>	<b>4302079</b>	<b>100.00</b>

- **Liquidity**

The Company's Shares are liquid on BSE.

- **Code Of Conduct For Prevention Of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2014 and Companies Act, 2013 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares beyond threshold limits. Further, it prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

- **Reconciliation Of Share Capital Audit Report**

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 1996, quarterly audit is being undertaken by a Practicing Chartered Accountant for Reconciliation of Share Capital of the Company. The audit report inter alia covers and certifies that the total shares held in NSDL, CDSL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated, Demat requests are confirmed within stipulated time etc.

- **Outstanding GDRs/ADRs/Warrants or any convertible instrument as on 31"March-16**

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2015.

- **Factory/Plant Locations**

Maktupur, Unjha, Dist. Mehsana.

- **Address for Correspondence**

All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.

**MANGALAM SEEDS LIMITED**

202, Sampada Complex, B/h. Tulsi Complex, Mithakhali Six Roads, Navrangpura, Ahmedabad- 380009

E-mail: [cs@mangalamseeds.com](mailto:cs@mangalamseeds.com),

[investorgrievanance@mangalamseeds.com](mailto:investorgrievanance@mangalamseeds.com)

Website: [www.mangalamseeds.com](http://www.mangalamseeds.com)

**KARVY COMPUTERSHARE PVT. LTD.**

Karvy Selenium Tower B, Plot 31-32 Ghachibowli, Financial District, Nanakramguda, Hyderabad- 500032

E-mail: [vlakshmi.p@karvy.com](mailto:vlakshmi.p@karvy.com)

Website: [www.karisma.karvy.com](http://www.karisma.karvy.com)

## **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined compliance by Mangalam Seeds Limited (the Company) with the requirements under Clause 52 of the Listing Agreement and Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable from time to time, entered into by the Company with the Bombay Stock Exchange for the year ended on March 31, 2016.

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 52 of the Listing Agreement and Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable from time to time.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the corporate governance report of the Company.

We state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the stakeholder relationship committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

**Place: Ahmedabad**

**Date: 30/05/2016**

**For Piyush J. Shah & Co.**

**Chartered Accountants**

**Piyush Shah**

**Partner**

**M. No. 108670**

**FRN: 121172W**

## **DECLARATION ON ADHERENCE TO THE CODE OF CONDUCT UNDER CLAUSE 52 OF THE LISTING AGREEMENT**

All the Board members and senior management personnel of the Company have confirmed adherence to the Code of Conduct of Mangalam Seeds Limited for the financial year ended March 31, 2016.

**Place: Ahmedabad**

**Date: 30/05/2016**

**By Order of Board of Directors**

**For Mangalam Seeds Limited**

**CIN: L01112GJ2011PLC067128**

**Registered office:**

**202, Sampada Building, B/H Tulsi Complex**

**Mithakhali Six Road, Navrangpura,**

**Ahmedabad: 380009**

**Pravinbhai M. Patel**

**Managing Director**

**DIN: 03173769**

**CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

We, Mr. Pravinkumar Mafatlal Patel, Managing Director (CEO) and Mr. Ankit Mahendrabhai Soni, CFO do hereby certify to the Board that:

- a) We have reviewed the Balance Sheet as at March 31, 2016, the Profit and Loss Accountant and the Cash Flow Statement for the year ended on that date and that to the best of our knowledge and belief:
  - i. The said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;
  - ii. The said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year, if any;
  - ii. significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and

- iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Ahmedabad**

**Date: 30/05/2016**

**By Order of Board of Directors**

**For Mangalam Seeds Limited**

**CIN: L01112GJ2011PLC067128**

**Registered office:**

**202, Sampada Building, B/H Tulsi Complex**

**Mithakhali Six Road, Navrangpura,**

**Ahmedabad: 380009**

**Pravinbhai M. Patel**

**Managing Director**

**DIN: 03173769**

**Ankit Soni**

**Chief Financial Officer**



# **SECRETARIAL AUDIT REPORT**

## **For the Financial Year ended March 31, 2016**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**  
**The Members,**  
**Mangalam Seeds Limited, Ahmedabad**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on March 31, 2016 according to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - i. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited; and
  - j. The Memorandum and Articles of Association.
- VI. Other laws applicable specifically to the Company, namely:
- The Trade Marks Act, 1999

- Seeds Act, 1966 read with Seeds Rules, 1968
- Seed Control Orders 1983 read with Essential Commodities Act, 1955
- Insecticides Act, 1968 read with Insecticides Rules, 1971
- Protection of Plant Varieties and Farmers' Right Act, 2001
- Destructive Insects and Pests Act, 1914
- The Protection of Plant Varieties and Farmers' Rights Act, 2001

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:**

- a. Maintenance of various statutory registers and documents and making necessary entries therein;
- b. Closure of the Register of Members.
- c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d. Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. Notice of Board meetings and Committee meetings of Directors;

- f. The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g. The 04th Annual General Meeting held on 31<sup>st</sup> July 2015;
- h. Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i. Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j. Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k. Payment of remuneration to Directors including the Managing Director,
- l. Appointment and remuneration of Auditors;
- m. Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n. Declaration and payment of dividends;
- o. Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p. Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q. Investment of the Company's funds including investments and loans to others;
- r. Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s. Directors' report;
- t. Contracts, common seal, registered office and publication of name of the Company; and
- u. Generally, all other applicable provisions of the Act and the Rules made under the Act.

**I further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size

and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place: Ahmedabad**

**Date: 30/05/2016**

**Monika Bhatia**  
**Company Secretary**  
**M. No. 36052**  
**C.P. No.13348**

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Overview***

Agriculture plays a vital role in India's economy. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). Despite the increased Government focus on industrialization and indigenous manufacturing under the 'Make in India' initiative, Agriculture continues to be the mainstay of the Indian economy. Besides being an important source of food security for the nation, India's agriculture and food processing sector plays a pivotal role in economic development, providing employment to more than 58% of the country's workforce as their principal means of livelihood and contributing around 15% to the GDP. As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015–16 at 2011–12 prices. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15).

Globally too, India, which ranks second in food production, contributes significantly to the world's food basket. With the second largest agricultural land holding in the world (179.9 million hectares), India's agricultural exports have been steadily growing and now constitutes a fifth of the total exports of the country.

The Indian Government in the Union Budget for 2016-17 announced implementation of "Pradhan Mantri Krishi Sinchai Yojna." Around 28.5 lakh hectares of land will be brought under irrigation. This Scheme will increase irrigation and lower the Country's dependence on monsoon. Allocation of Rs. 35,984 crores for Agriculture and Farmers welfare. The Union Budget for 2016-17, has initiated several measures to positively impact agriculture, including financial support to extend irrigation, enhancing farm/ agricultural credit, rationalisation of farm subsidies, among others. The Budget also

shows intent to support organic farming and continued support for micro irrigation and watershed management.

### ***Financial Review***

Your Company continued with its trend of good performance, exceeding its financial performance in the previous year. During the year, Net Sales were Rs. 2383.06 Lakhs compared to Rs. 1511.55 Lakhs in the previous year, an increase of almost 57.66%. Businesswise. Net Profit for the year stood at Rs. 217.55 Lakhs against Rs. 114.70 Lakhs for the previous year, indicating 89.67% rise.

### ***Internal Control Systems and their Adequacy***

MSL has adequate and commensurate systems of internal control that match with the best in the industry. The Company follows a strict and an uncompromising adherence to all rules, policies, statues and laws. All legal and statutory compliances are duly followed and complied with. An independent auditor is appointed for conducting internal audit of the Company, and any observation, note or recommendation suggested by the Internal Auditor are reviewed by the Audit Committee of the Management, and suitable and corrective measures are immediately taken. The Company also strictly adheres to environment protection norms.

### ***Research & Development***

MSL believes that innovation is the cornerstone of Sustainable Development in any corporate structure and a holistic means of ushering it is through continuous investment in research and development.

The Company invests about 2% of its revenues into its R&D programmes in select areas which represent important growth opportunities. Considering the efforts of its R&D team, the Company resolved the problem of low yield of Fennel by developing first commercially successful hybrid “**VOLINA**”.



The R&D team focuses solely on products and regions with considerable scope and not populated by bigger players, allowing the Company to play to its strengths and expand in selected areas.

### ***Human Resource and Farmers Meet***

The Company believes that the quality of the employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills, enabling them to keep pace with ongoing technological advancements and evolve. During the year, the Company has organised training programmes for Farmers in different areas.



### ***Cautionary Statement***

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that could affect the company's operations include a downward trend in the domestic industry, monsoon, rise in input cost and significant change in political and economic environment in India, environment standards, litigations, changes in the Government regulations, tax laws, statutes and other incidental factors.



**STANDALONE  
FINANCIAL  
STATEMENTS & NOTES**

# INDEPENDENT AUDITORS' REPORT

**TO,  
THE MEMBERS OF  
MANGALAM SEEDS LIMITED**

## **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **MANGALAM SEEDS LIMITED** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2016**, the Profit and Loss Statement, the Cash Flow Statement for the Period ended and a summary of significant accounting policies and other explanatory information.

## **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **AUDITORS' RESPONSIBILITY**

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

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

from material misstatements.

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone 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 standalone financial statements.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year/period ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016,

taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, 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 included in the auditor’s report and to best of our information and according to the explanation given to us.
  - 1. The company has disclosed the impact of pending litigation on its financial position in its financial statement, if any.
  - 2. The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - 3. There has been no delay in transferring amounts, required to be transferred, to the investor’s education and protection fund by the company, if any.

**For Piyush J. Shah & Co.**  
**Chartered Accountants**  
**FRN: 121172W**

**Piyush J. Shah**  
**Partner**  
**M. No: 108670**  
**Place: Ahmedabad**  
**Date: 30<sup>th</sup> May, 2016**

## Annexure - A to the Auditors' Report

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The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the Period 01-04-2015 to 31-03-2016, we report that:

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) The title deeds of immovable properties are held in the name of the company.
- ii) The Inventories have been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book records and the same has been properly dealt with in books of accounts.
- iii) The Company had granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').  
  
(a) In our opinion and according to the information and explanations given to us the terms and conditions of the grant of such loans are not prejudicial to the company's interest.  
  
(b) There is no repayment schedule relating to the loans granted by the company, It is repayable on demand. Moreover, the company is not charging any kind of interest on the loans granted.  
  
(c) In respect of the said loans, there are no overdue accounts.
- iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 had been complied with.
- v) The company had not accepted any deposits from public, 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 Companies Act, 2013 and the rules framed there under, is not applicable.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the goods supplied by the Company.

vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues

have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

viii) The company had not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

ix) According to the information and explanations given to us the company had raised ₹ 5.70/- Crores by way of Initial Public offer and the same have been applied for the purpose for which it was raised.

x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

xi) According to the information and explanations given to us, managerial remuneration had been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii) In our opinion the company is not Nidhi Company. Therefore the provisions as mentioned in the Nidhi Rules, 2014 are not applicable to the company.

xiii) In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv) According to the information and explanations given to us, the company had made preferential allotment of shares during the year/period under review and the requirement of section 42 of the Companies Act, 2013 and other applicable provisions have been



complied with and the amount raised have been used for the purposes for which the funds were raised.

- xv) According to the information and explanations given to us the company had not entered into any non-cash transactions with directors or persons connected with him.
  
- xvi) In our opinion, the company is not a Non Banking Finance Company, therefore the requirement to register under section 45-IA of the Reserve Bank of India Act, 1934 is not applicable.

**For Piyush J. Shah & Co.**  
**Chartered Accountants**  
**FRN: 121172W**

**Piyush J. Shah**  
**Partner**  
**M. No: 108670**  
**Place: Ahmedabad**  
**Date: 30<sup>th</sup> May, 2016**

## Annexure - B to the Auditors' Report

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### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Mangalam Seeds Limited** (“the Company”) as of **31 March 2016** in conjunction with our audit of the standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 Piyush J. Shah & Co.**  
**Chartered Accountants**  
**FRN: 121172W**

**Piyush J. Shah**  
**Partner**  
**M. No: 108670**  
**Place: Ahmedabad**  
**Date: 30<sup>th</sup> May, 2016**

**Standalone Balance Sheet as at 31<sup>st</sup> March, 2016**

Particulars	Note	AMOUNT (IN ₹) 31-Mar16	AMOUNT (IN ₹) 31-Mar-15
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	02	43,020,790	9,315,000
(b) Reserves and surplus	03	83,550,926	37,035,557
		<b>126,571,716</b>	<b>46,350,557</b>
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	04	590,764	290,547
(b) Deferred tax liability (net)		-	-
(c) Long-term provisions	05	1,582,201	1,025,399
(d) Other Non-current liabilities		-	-
		<b>2,172,965</b>	<b>1,315,946</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	06	49,717,237	31,734,724
(b) Trade payables	07	3,407,318	2,033,206
(c) Other current liabilities	08	5,923,297	3,959,983
(d) Short-term provisions	09	6,338,119	398,332
		<b>65,385,971</b>	<b>38,126,245</b>
		<b>194,130,652</b>	<b>85,792,748</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	30,012,930	24,562,521
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current Investments	11	399,940	300,000
(c) Deferred tax assets (Net)	12	886,081	(41,096)
(d) Long-term loans and advances		-	-
(e) Other Non-current Assets		-	31,142
		<b>31,298,952</b>	<b>24,852,567</b>
<b>2 Current assets</b>			
(a) Inventories	13	64,185,999	30,188,606
(b) Trade receivables	14	46,948,298	18,054,422
(c) Cash and cash equivalents	15	14,987,525	4,547,624
(d) Short-term loans and advances	16	36,045,244	8,056,409
(e) Other Current Assets	17	664,634	93,120
		<b>162,831,700</b>	<b>60,940,181</b>
		<b>194,130,652</b>	<b>85,792,748</b>

**Summary of significant accounting policies**
**1 to 30**
**The accompanying notes are an integral part of the financial statements.**
**As per our report of even date**
**For Piyush J. Shah & Co.**
**FRN : 121172W**
**Chartered Accountants**
**Piyush J. Shah**
**Partner**
**M. No. 108670**
**Place : Ahmedabad**
**Date : 30th May, 2016**
**For Mangalam Seeds Limited**
**Pravinbhai M. Patel**
**Director**
**DIN - 03173769**
**Ankit Soni**
**CFO**
**Mafatbhai J. Patel**
**Director**
**DIN - 03173737**
**Rujavi Chalishajar**
**Company Secretary**

**Standalone Profit and loss statement for the year ended 31<sup>st</sup> March, 2016**

Particulars	Note	AMOUNT IN ₹ 31-Mar-2016	AMOUNT IN ₹ 31-Mar-2015
I. Revenue From Operations			
Sales	18	238,306,283	151,155,583
II. Other Income	19	283,730	156,887
<b>III. Total Revenue (I + II)</b>		<b>238,590,013</b>	<b>151,312,470</b>
IV. Expenses:			
Cost of materials consumed	20	175,754,625	111,026,341
Employee benefits expenses	21	8,435,385	7,690,633
Finance costs	22	3,475,300	2,907,711
<b>Depreciation and amortization expense</b>			
(i) Depreciation for the year		3,449,955	2,170,042
(ii) Preliminary Expenses W/off		-	31,140
Other expenses	23	24,638,607	14,624,787
Total expenses		<b>215,753,872</b>	<b>138,450,654</b>
<b>V. Profit before exceptional and extraordinary items</b>		<b>22,836,141</b>	<b>12,861,816</b>
VI. <b>Exceptional items</b>			
Prior Period Expenses		-	526,616
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>22,836,141</b>	<b>12,335,200</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>22,836,141</b>	<b>12,335,200</b>
X Tax expense:			
(1) Current tax		2,005,690	925,000
(2) Deferred tax		(927,177)	(56,346)
(3) Short / (Excess) Provision		3,042	(3,175)
<b>XI Profit (Loss) for the period</b>		<b>21,754,586</b>	<b>11,469,721</b>
XII Earnings per equity share:	24		
(1) Basic		5.62	23.35
(2) Diluted		5.62	23.35

Summary of significant accounting policies

1 to 30

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.

For Mangalam Seeds Limited

FRN : 121172W

Chartered Accountants

Pravinbhai M. Patel  
Director  
DIN - 03173769

Ankit Soni  
CFO

Piyush J. Shah

Partner

M. No. 108670

Place : Ahmedabad

Date : 30th May, 2016

Mafatbhai J. Patel  
Director  
DIN - 03173737

Rujavi Chalisajar  
Company Secretary

**Standalone Cash Flow Statement for the Year 2015-16**

PARTICULARS	AMOUNT IN ₹	
	31-Mar-2016	31-Mar-2015
<b>Cash flow from operating activities:</b>		
Net profit before tax as per statement of profit and loss	22,836,141	12,335,200
<b>Adjusted for:</b>		
Preliminary expenses	31,142	31,140
Provision for gratuity	556,802	1,025,399
Depreciation & amortization	3,449,955	2,170,042
Interest income on loans & advances given	(225,320)	(156,887)
Interest & finance costs	3,475,300	2,907,711
<b>Operating cash flow before working capital changes</b>	<b>30,124,020</b>	<b>18,312,604</b>
<b>Adjusted for:</b>		
(Increase)/ decrease in Inventories	(33,997,393)	17,383,158
(Increase)/ decrease in Trade Receivables	(28,893,876)	(4,932,401)
(Increase)/ decrease in Loans and Advances and Other Current Assets	(28,560,349)	(7,975,154)
Increase/ (decrease) in Trade Payables	1,374,112	(20,820,869)
Increase/ (decrease) in Liabilities & Provisions	1,719,515	(4,054,669)
<b>Cash generated from / (used in) operations</b>	<b>(58,233,972)</b>	<b>(2,087,331)</b>
Income taxes paid	(1,003,042)	(921,825)
<b>Net cash generated from/ (used in) operating activities [A]</b>	<b>(59,237,014)</b>	<b>(3,009,156)</b>
<b>Cash flow from investing activities:</b>		
Purchase of fixed assets	(8,900,364)	(19,142,992)
Interest income on loans & advances given	225,320	156,887
Purchase of investments	(99,940)	(300,000)
<b>Net cash flow from/(used) in investing activities [B]</b>	<b>(8,774,984)</b>	<b>(19,286,105)</b>
<b>Cash flow from financing activities:</b>		
Proceeds from issue of equity shares / Addition in Capital	63,644,469	22,075,000
Proceeds from secured borrowing (net)	18,282,730	1,798,538
Proceeds/ (Repayment) from Directors Loan (net)	-	(3,370,703)
Increase/ (decrease) in Other Non Current Liabilities	-	(3,497,000)
Interest & finance costs	(3,475,300)	(2,907,711)
<b>Net cash flow from/(used in) financing activities [C]</b>	<b>78,451,899</b>	<b>14,098,124</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>10,439,901</b>	<b>(8,197,137)</b>
Cash & cash equivalents as at beginning of the year	4,547,624	12,744,761
<b>Cash &amp; cash equivalents as at end of the year[Note - 15]</b>	<b>14,987,525</b>	<b>4,547,624</b>

For Piyush J. Shah &amp; Co.

FRN : 121172W

Chartered Accountants

Piyush J. Shah

Partner

M. No. 108670

Place : Ahmedabad

Date : 30th May, 2016

For Mangalam Seeds Limited

Pravinbhai M. Patel

Director

DIN - 03173769

Ankit Soni

CFO

Mafatbhai J. Patel

Director

DIN - 03173737

Rujavi Chalishajar

Company Secretary

**Notes to accounts:**

**Note: 1 Significant Accounting Policies**

**1. Basis of Accounting Policy**

The Standalone Financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAPP), including the Accounting standards referred to in Section 133 of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

**2. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

**3. Fixed Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**4. Depreciation**

Up to March 31<sup>st</sup>, 2014 depreciation on fixed assets is provided on written down value (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1<sup>st</sup>, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013. The carrying amount as on April 1<sup>st</sup>, 2014 is depreciated over the balance useful life of asset.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

**5. Inventories**

Inventories are valued at lower of cost or net realizable value. Inventories are taken as valued and certified by the management of the company.

**6. Revenue Recognition**

Revenue is primarily derived from sale of seeds to distributors and dealers. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

## 7. Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried.

## 8. Employee Benefits

The company has defined benefit plan for post employment benefit in the form of Gratuity for employees. The liability for the above Defined Benefit Plan is provided on the basis of management estimation till March 31, 2014 and from April 01, 2014 the liability was provided on the basis of actuarial valuation.

## 9. Investments

Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

## 10. Research & Development Expense

Revenue expenditure pertaining to research is charged to the Profit and Loss Statement. Development costs of products are charged to the Profit and Loss Statement.

## 11. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, if any.

Contingent assets are neither recognized nor disclosed in the financial statements.

### 02 Share Capital:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Authorized :</b> Equity shares 5,000,000 of Rs.10 Each	50,000,000	50,000,000
<b>Issued, Subscribed and Paid up :</b> Equity shares 4,302,079 of Rs.10 Each (Previous Year 931,500 Equity Shares)	43,020,790	9,315,000
<b>TOTAL ₹ :</b>	<b>43,020,790</b>	<b>9,315,000</b>

### 2.1 The Details of Shareholder holding more than 5% Shares

Name Of Shareholder	As At 31-03-2016		As At 31-03-2015	
	No. Of Shares	% Held	No. Of Shares	% Held
Pravinkumar Mafatlal Patel	424,073	9.86%	64,093	6.88%
Kalpeshkumar Nathalal Patel	350,935	8.16%	58,880	6.32%



Narsinhbhai Jethabhai Patel	351,992	8.18%	140,255	15.06%
Revabhai Jethabhai Patel	390,588	9.08%	141,130	15.15%
Dhanjibhai Shivarambhai Patel	372,432	8.66%	80,958	8.69%
Mafatbhai Jethabhai Patel	310,806	7.22%	141,500	15.19%
Pradipbhai Nathabhai Patel	317,027	7.37%	63,700	6.84%
Nathalal J. Patel	65,250	1.52%	87,200	9.36%
<b>TOTAL</b>	<b>2,583,103</b>	<b>60.04%</b>	<b>777,716</b>	<b>83.49%</b>

## 2.2 The Reconciliation of No. of shares outstanding is set out below:

Particulars	As At 31-03-2016		As At 31-03-2015	
	No.	Amount In ₹	No.	Amount In ₹
Equity Shares at the beginning of the year	931,500	9,315,000	140,000	1,400,000
Add: Shares issued as Bonus (Refer Sub Note-1)	2,018,251	20,182,510	350,000	3,500,000
Add: Shares issued as Private Placement (Refer Sub Note-2)	212,328	2,123,280	441,500	4,415,000
Add: Shares issued as Public Issue (Refer Sub Note-3)	1,140,000	11,400,000	-	-
<b>Equity Shares at the end of the year</b>	<b>4,302,079</b>	<b>43,020,790</b>	<b>931,500</b>	<b>9,315,000</b>

Sub Note: 1 During the Financial Year 2015-16 Company has allotted Bonus shares on 8th May, 2015 to its existing shareholders in the ratio of 13 shares against each 6 shares held by them out of balance in Securities Premium Account.

Sub Note: 2 During the Financial Year 2015-16 Company has allotted 212,328 Equity shares at ₹ 50 each (including ₹ 40 towards security premium) on 15th May, 2015.

Sub Note: 3 During the Financial Year Company went for Initial Public Offering of 1,140,000 Equity Shares at ₹ 50 each (including ₹ 40 towards security premium) and got listed on 12th August, 2015 on SME Platform of Bombay Stock Exchange, out of the same the company has raised ₹ 5.70 Crores.

## 03 Reserves & Surplus:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Profit &amp; Loss A/c</b>		
Opening Balance	14,775,557	3,354,573
Add: Profit for the year	21,754,586	11,469,721
Less: Proposed Dividend (Refer Sub Note:1)	(4,302,079)	-
Less: Provision for DDT (Refer Sub Note:2)	(875,817)	-
Less: Adjusted against Depreciation	-	(48,737)
Closing Balance	<b>31,352,247</b>	<b>14,775,557</b>
<b>Share Premium Account</b>		
Opening Balance	22,260,000	8,100,000
Add: Premium Received During the year (Refer Sub Note: 3)	54,093,120	17,660,000
Less: Bonus Issue during the year (Refer Sub Note: 4)	(20,182,510)	(3,500,000)

Less: Preliminary Expenses (Refer Sub Note: 5)	(3,971,931)	-
Closing Balance	52,198,679	22,260,000
<b>TOTAL ₹ :</b>	<b>83,550,926</b>	<b>37,035,557</b>

Sub Note: 1 The management have recommended dividend of ₹ 1/- per Equity share, to the Shareholders of the Company. (Previous Year - No Dividend was recommended by the management.)

Sub Note: 2 The Company have made provision for Dividend Distribution Tax @ 20.358% on the amount of Proposed Dividend. (Previous Year - No Dividend was recommended by the management, therefore no provision have been made.)

Sub Note: 3 During the Financial Year, the Company have issued 212,328/- Equity Shares under Private Placement and 1,140,000/- Equity Shares in Initial Public Offer at premium of ₹ 40/- per Equity Share.

Sub Note: 4 During the Financial Year Company has issued Bonus shares to existing shareholders in the ratio of 6 shares against each 13 shares held by them out of Securities Premium Account.

Sub Note: 5 During the year Company has incurred ₹ 4,440,789/- towards share issue expense, after deducting ₹ 500,000/- being subsidy receivable, the same has been set off against Security Premium as per Section 52 of the Companies Act, 2013.

#### 04 Long Term Borrowings:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Secured Borrowing:</b>		
HDFC Bank Limited- Car Loan	-	290,547
HDFC Bank Limited- Car Loan (Refer Sub Note - 1)	590,764	-
<b>TOTAL ₹ :</b>	<b>590,764</b>	<b>290,547</b>

Sub Note: 1 Car Loan of Rs. 590,764 as on March 31, 2016 of HDFC Bank Limited is secured by way of hypothecation of car at the rate of 9.61%.

#### Principal Terms and Conditions of Long Term Borrowings:

Sr. No.	Type of Facility	As at 31 <sup>st</sup> March, 2015	Rate of Interest	Repayment	Security
1	Car Loan- HDFC Bank Ltd.	590,764	9.61%	36 Equal monthly Installments	Refer Note - 1

#### 05 Long Term Provision:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Provision for Employee Benefits</b>	1,582,201	1,025,399
<b>TOTAL ₹ :</b>	<b>1,582,201</b>	<b>1,025,399</b>

#### 06 Short Term Borrowings:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Loans Repayable on Demand</b>		
Secured Loan from Bank (Refer Sub Note - 1)	49,717,237	31,734,724
<b>TOTAL ₹ :</b>	<b>49,717,237</b>	<b>31,734,724</b>

Sub Note: 1 Working Capital Loan from HDFC Bank of ₹ 4,97,17,237/- as on March 31, 2016 is secured against hypothecation of Present and Future Stock and Book Debts at the rate of 10.80%.

**Principal Terms and Conditions of Loan:**

Sr. No.	Type of Facility	As at 31 <sup>st</sup> March, 2016	Rate of Interest	Repayment	Security
1	Working Capital Loan	49,717,237	10.80%	On Demand	Present & Future Stock & Book Debts

**07 Trade Payables:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Creditors for Goods	465,865	130,549
	<b>465,865</b>	<b>130,549</b>
Creditors For Expenses	2,941,453	1,902,657
	<b>2,941,453</b>	<b>1,902,657</b>
<b>TOTAL ₹ :</b>	<b>3,407,318</b>	<b>2,033,206</b>

Sub Note: 1 Outstanding Balances of Trade Payables as on 31st March, 2016 are taken as certified by management. The same is subject to reconciliation and confirmations.

**08 Other Current Liabilities:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Other Payables (Refer Sub Note: 1)	5,320,979	3,284,288
	<b>5,320,979</b>	<b>3,284,288</b>
Current Maturities of Long Term Debts (Refer Sub Note: 2 & 3)	602,318	675,695
	<b>602,318</b>	<b>675,695</b>
<b>TOTAL ₹ :</b>	<b>5,923,297</b>	<b>3,959,983</b>

Sub Note: 1 Other Payables includes amount received as advance from customers and amount to be paid to employees of the Company.

Sub Note: 2 Car Loan of Rs. 290,547/- as on March 31, 2016 of HDFC Bank Limited is secured by way of hypothecation of car at the rate of 10.51%.

Sub Note: 3 Car Loan of Rs. 311,771/- as on March 31, 2016 of HDFC Bank Limited is secured by way of hypothecation of car at the rate of 9.61%.

**Principal Terms and Conditions of Loan:**

Sr. No.	Type of Facility	As at 31 <sup>st</sup> March, 2016	Rate of Interest	Repayment	Security
1	Car Loan- HDFC Bank Ltd.	290,547	10.51%	24 Monthly Installment of Rs. 16,071/-	Refer Note - 1

2	Car Loan- HDFC Bank Ltd.	311,771	9.61%	36 Monthly Installment of Rs. 19,285/-	Refer Note - 2
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**09 Short Term Provisions:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Payable to Government</b>		
TDS Payable	154,533	186,154
Provision For Tax (Net of Advance Tax and TDS Receivable) (Refer Sub Note:1)	1,005,690	212,178
<b>Payable to Shareholders</b>		
Proposed Dividend (Refer Sub Note:2)	4,302,079	-
Provision for Dividend Distribution Tax (Refer Sub Note:3)	875,817	-
<b>TOTAL ₹ :</b>	<b>6,338,119</b>	<b>398,332</b>

Sub Note: 1 The Company have provided for Income Tax Provision at the applicable rate on income derived from trading of goods and had paid ₹ 1,000,000/- towards advance tax.

Sub Note: 2 The management have recommended dividend of ₹ 1/- per Equity share, to the Shareholders of the Company. (Previous Year - No Dividend was recommended by the management.

Sub Note: 3 The Company has made provision for Dividend Distribution Tax @ 20.358% on the amount of Proposed Dividend. (Previous Year - No Dividend was recommended by the management, therefore no provision have been made.)

# Intentionally Kept Blank

10 Fixed Assets : (As at 31-March-2016)

S.R	Description of Assets	Gross Block				Depreciation/Amortization/Depletion				Net Block	
		As at	Additions /	Deductions /	As at	As at	For the	Deductions /	As at	As at	As at
		01-Apr-15	Adjustments	Adjustments	31-Mar-16	01-Apr-15	Year	Adjustments	31-Mar-16	31-Mar-16	31-Mar-15
	<b>Tangible Assets:</b>										
1	Godown Office	671,175	-	-	671,175	182,810	21,879	-	204,689	466,486	488,365
2	Godown Building	18,215,400	-	-	18,215,400	4,940	901,474	-	906,414	17,308,986	18,210,460
3	Plant & Machinery	5,272,192	3,968,730	-	9,240,922	1,821,609	1,039,753	-	2,861,362	6,379,560	3,450,583
4	Motor Vehicle (Scooter etc.)	149,197	52,283	-	201,480	96,516	25,909	-	122,425	79,055	52,681
5	Office Equipment	234,796	228,800	-	463,596	175,993	75,665	-	251,658	211,938	58,804
6	Computer & Networks	171,922	-	-	171,922	168,644	2,503	-	171,147	775	3,278
7	Electronic Equipment	254,619	248,159	-	502,778	127,844	75,808	-	203,652	299,126	126,775
8	Motor Cars	4,013,519	4,374,283	-	8,387,802	2,298,140	1,167,449	-	3,465,589	4,922,213	1,715,379
9	Furniture	932,818	28,109	-	960,927	541,160	119,069	-	660,229	300,698	391,657
10	Solar Water Heater	131,250	-	-	131,250	66,711	20,446	-	87,157	44,093	64,539
	<b>Total</b>	<b>30,046,888</b>	<b>8,900,364</b>	<b>-</b>	<b>38,947,252</b>	<b>5,484,367</b>	<b>3,449,955</b>	<b>-</b>	<b>8,934,322</b>	<b>30,012,930</b>	<b>24,562,521</b>
	Previous Year	10,688,335	291,800	76,241	10,903,894	1,665,781	2,170,042	31,943	3,265,588	7,638,308	-

**11 Non-Current Investments:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Investments in Equity Instruments</b>		
Shares of Mangalam Nutrifeeds Pvt Ltd (10,000 Equity Shares)	100,000	100,000
Shares of Kiositech Engineering Ltd (9,994 Equity Shares) (Refer Sub Note:1)	99,940	-
Shares of Unjha Pysllium Pvt Ltd (10,000 Equity Shares)	100,000	100,000
Shares of Unjha Spices Pvt Ltd (10,000 Equity Shares)	100,000	100,000
<b>TOTAL ₹ :</b>	<b>399,940</b>	<b>300,000</b>

Sub Note: 1 The Company have bought 9,994 shares of Kiositech Engineering Limited, a public limited company on 18<sup>th</sup> December, 2015.

**Investments in Equity Instruments**

Sr. No.	Name of the Company	Quoted / Unquoted	Classification
1	Mangalam Nutrifeeds Private Limited	Unquoted	Subsidiary
2	Kiositech Engineering Limited	Unquoted	Subsidiary
3	Unjha Pysllium Private Limited	Unquoted	Subsidiary
4	Unjha Spices Private Limited	Unquoted	Subsidiary

**12 Deffered Tax Assets:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Deferred Tax Assets</b>		
Related to Fixed assets	(88,082)	(41,096)
<b>Deferred Tax Assets</b>		
Disallowance under the income Tax Act 1961	974,163	-
<b>TOTAL ₹ :</b>	<b>886,081</b>	<b>(41,096)</b>

**13 Inventories:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Finished Goods</b>		
	64,185,999	30,188,606
<b>TOTAL ₹ :</b>	<b>64,185,999</b>	<b>30,188,606</b>

Sub Note: 1 Inventories as on 31<sup>st</sup> March, 2016 have been taken as certified by management; the same had been also physically verified on 31<sup>st</sup> March, 2016.

**14 Trade Receivables:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Unsecured and Considered Good</b>		
Outstanding for a period of more than six months	6,596,336	1,806,256
Others	40,351,962	16,248,166
<b>TOTAL ₹ :</b>	<b>46,948,298</b>	<b>18,054,422</b>

Sub Note: 1 Outstanding Balances of Trade Receivables as on 31st March, 2016 are taken as certified by management. The same is subject to reconciliation and confirmations.

**15 Cash & Cash Equivalents:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Cash On Hand	876,973	386,947
H.D.F.C Bank A/C No.-00062320013951	14,110,552	4,160,677
<b>TOTAL ₹ :</b>	<b>14,987,525</b>	<b>4,547,624</b>

**16 Short-Term Loans & Advances:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Advances to Related Parties</b>		
Deposit/Advance to Related Parties (Refer Sub Note:1)	3,200,000	-
<b>Advances to Others</b>		
Advances to Suppliers (Refer Sub Note:2)	32,275,244	8,056,409
Deposit to Others (Refer Sub Note:3)	570,000	-
<b>TOTAL ₹ :</b>	<b>36,045,244</b>	<b>8,056,409</b>

Sub Note: 1 Deposit to Related Party includes Deposit given against Green House taken on Lease by the Company and Advance made to Mangalam Nutrifeds Private Limited for Business expediency.

Sub Note: 2 Advance to supplier includes advances given without any security.

Sub Note: 3 Deposit to Others includes Deposit given to Bombay Stock Exchange at the time of Initial Public Offer.

**17 Other Current Assets:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Other Current Assets</b>		
Advances to Others	33,478	-
<b>Receivables from Government</b>		
Receivables including Subsidy (Refer Sub Note: 1)	523,990	23,990
<b>Prepaid Expenses</b>		
Prepaid Insurance Expenses	107,166	69,130
<b>TOTAL ₹ :</b>	<b>664,634</b>	<b>93,120</b>

Sub Note: 1 Receivables from Government includes ₹ 5 Lakhs to be receivable from Gujarat Government as subsidy for raising Equity capital through SME Exchange.

**18 Revenue From Operations:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Revenue from Sale of Products	291,044,368	170,213,564
<b>Less:</b>		
Rate Differences on Sales	52,738,085	19,057,981
<b>TOTAL ₹ :</b>	<b>238,306,283</b>	<b>151,155,583</b>

**19 Other Income:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Income on Loan Given	225,320	128,219
Sundry Balances written off	58,410	28,668
<b>TOTAL ₹ :</b>	<b>283,730</b>	<b>156,887</b>

**20 Cost of Materials Consumed:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Opening Stock	30,188,606	47,571,764
Add:		
Purchases	33,324,460	36,586,884
Lease Rent Expenses	60,097,450	20,087,880
Labor Charges	64,682,250	17,822,883
Water Charges	19,073,976	6,064,701
Tractor Rent Expenses	10,142,458	3,724,196
Pesticides & Fertilizer Charges	13,266,668	4,274,088
Packing Expenses	9,164,756	5,082,551
	239,940,624	141,214,947
Less : Closing Stock	64,185,999	30,188,606
<b>TOTAL ₹ :</b>	<b>175,754,625</b>	<b>111,026,341</b>

**21 Employee Benefit Expense:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Bonus Expenses	206,600	118,250
Director's Remuneration	1,140,000	357,000
Gratuity Expense	556,802	498,783
Salary & Wages Expenses	6,531,983	6,716,600
<b>TOTAL ₹ :</b>	<b>8,435,385</b>	<b>7,690,633</b>



**22 Finance Cost:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Bank Charges	6,772	2,528
Interest to Bank - Cash Credit	2,704,551	2,743,204
Interest on Car Loan	98,942	70,049
Interest on Taxes	58,565	2,042
Hypothecation Expenses	606,470	89,888
<b>TOTAL ₹ :</b>	<b>3,475,300</b>	<b>2,907,711</b>

Sub Note: 1 Interest Expenses are net of interest capitalized in Fixed Assets.

**23 Other Expenses:**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Establishment Expenses</b>		
Charity & Donation Expenses	460,165	-
Membership Fees	433,039	30,000
Miscellaneous Expenses	-	12,167
Municipal Tax Expenses	14,711	14,719
Office Expenses	103,575	70,471
Fumigation Expenses	144,897	54,291
Godown Expenses	418,195	774,475
Insurance Expenses	146,768	65,463
Labor Expenses	1,003,503	1,504,218
Printing & Stationery Expenses	55,486	38,770
Professional Tax Expenses	4,800	4,800
Trade Mark Expenses	11,000	78,500
Travelling Expenses	1,343,526	969,328
Vehicle Expenses	364,738	191,309
Water Charges	9,600	9,480
Share Transfer Agent Fees	18,235	-
Tea & Refreshment Expenses	48,046	30,280
Professional Fees (Including Statutory Auditors Remuneration)	1,545,928	423,714
R.O.C Expenses	12,100	581,600
Registration Expenses	39,280	31,750
Rent Expenses	4,368,150	895,000
Repair & Maintenance Expenses	274,450	55,664
<b>Transportation Related Expenses</b>		
Freight Expenses	3,488,163	2,797,427

Loading & Unloading Expenses	482,065	232,505
<b>Communication Expenses</b>		
Postage & Courier Expenses	27,864	40,049
Telephone Expenses	139,776	113,327
<b>Power &amp; Fuel Expenses</b>		
Power & Fuel Expenses	863,583	717,821
<b>Research &amp; Development Expenses</b>		
Research & Development Expenses	5,132,153	2,970,133
<b>Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	1,642,160	1,411,466
Sales Promotion Expenses	2,042,651	506,061
<b>TOTAL ₹ :</b>	<b>24,638,607</b>	<b>14,624,787</b>

**24 Earnings Per Share :**

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Basic Earning Per Share	5.62	23.35
Diluted Earning Per Share	5.62	23.35
Nominal Value Per Share	Rs. 10.00	Rs. 10.00

Earning Per share is calculated by dividing the Profit/(Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Profit / (Loss) after taxation	21,754,586	19,678,801
Net Profit / (Loss) attributable to Equity Shareholders	21,754,586	19,678,801

Weighted Average Number of shares outstanding during the year	3,871,038	491,210
---------------------------------------------------------------	-----------	---------

**25** Outstanding balances of Creditors and Debtors are subject to confirmations / reconciliation.

**26** As informed to us, the Contingent Liability is NIL

**27** Previous year's figures have been regrouped and rearranged wherever necessary.

**28 Related Party Disclosures:**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

i) List of Related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
i)	Mangalam Nutrifeeds Private Limited	Subsidiary
ii)	Unjha Psyllium Private Limited	Subsidiary
iii)	Unjha Spices Private Limited	Subsidiary
iv)	Kiositech Engineering Limited	Subsidiary
v)	Kashvin Seeds Private Limited	Enterprises over which KMP are able to exercise significant influence
vi)	Shri Mafatlal J. Patel	Chairman
vii)	Shri Pravin M. Patel	Managing Director
viii)	Shri Dhanajibhai S. Patel	Director
ix)	Smt. Chhayaben P. Patel	Relative of KMP
x)	Smt. Shantaben M. Patel	Relative of KMP
xi)	Smt. Induben D. Patel	Relative of KMP
xii)	Shri Revabhai J. Patel	Relative of KMP
xiii)	Shri Narsinhbhai J. Patel	Relative of KMP
xiv)	Shri Nathabhai J. Patel	Relative of KMP
xv)	Patel Krushi Seva Kendra	Enterprises over which Directors are able to exercise significant influence
xvi)	Mafatlal J. Patel - HUF	Enterprises over which Directors are able to exercise significant influence
xvii)	Pravin M. Patel - HUF	Enterprises over which KMP are able to exercise significant influence
xviii)	Dhanaji S. Patel - HUF	Enterprises over which Directors are able to exercise significant influence

ii) Transactions during the year with related parties:

Sr. No.	Name of the Related Party	Nature of Transactions	Amount (In ₹) / Number of Shares
i)	Mangalam Nutrifeeds Private Limited	Sale of Goods	414,735
		Loans & Advances	2,200,000
		Other Current Receivables	22,390
ii)	Kiositech Engineering Limited	Other Current Receivables	14,140
		Investment in Shares	99,940
iii)	Kashvin Seeds Private Limited	Sale of Goods	1,785,000
iv)	Shri Mafatlal J. Patel	Remuneration	420,000
		Allotment of Shares against Cash	4,509
		Allotment of Shares as Bonus Share	204,490
		Purchase of Goods	2,529,900
		Rent Paid	1,126,875
v)	Shri Pravin M. Patel	Remuneration	300,000

		Office Rent	180,000
		Allotment of Shares against Cash	11,905
		Allotment of Shares as Bonus Share	271,375
vi)	Shri Dhanajibhai S. Patel	Remuneration	420,000
		Allotment of Shares against Cash	26,046
		Allotment of Shares as Bonus Share	237,001
vii)	Smt. Chhayaben P. Patel	Salary	300,000
		Allotment of Shares against Cash	6,512
viii)	Smt. Shantaben M. Patel	Salary	180,000
		Allotment of Shares against Cash	10,551
ix)	Smt. Induben D. Patel	Salary	180,000
		Allotment of Shares against Cash	3,682
x)	Shri Revabhai J. Patel	Salary	600,000
		Rent Paid	1,690,725
		Deposit	1,000,000
		Allotment of Shares against Cash	12,099
		Allotment of Shares as Bonus Share	254,456
xi)	Shri Narsinhbhai J. Patel	Salary	600,000
		Rent Paid	629,975
		Purchase of Goods	4,110,300
		Allotment of Shares against Cash	25,735
		Allotment of Shares as Bonus Share	243,273
xii)	Shri Nathabhai J. Patel	Rent Paid	740,575
xiii)	Patel Krushi Seva Kendra	Purchase of Goods	136,640
xiv)	Mafatlal J. Patel - HUF	Allotment of Shares against Cash	2,983
		Allotment of Shares as Bonus Share	37,700
xv)	Pravin M. Patel - HUF	Allotment of Shares as Bonus Share	51,545
xvi)	Dhanaji S. Patel - HUF	Allotment of Shares as Bonus Share	45,554

Sub Note: 1 In the above table, where the transaction is related to shares, it is mentioned in number of shares.

## 29 Payment to Auditors as:

Sr. No.	Auditor	2015-16	2014-15
i)	Statutory Audit	100,000	50,000
ii)	Tax Audit	50,000	25,000

**30 Segment Reporting**

The Company has not any business segment or geographical segment other than the one i.e. Dealing in seeds. Therefore, the Accounting Standard 17 "Segment Reporting" is not applicable.

For Piyush J. Shah & Co.

FRN : 121172W

Chartered Accountants

Piyush J. Shah

Partner

M. No. 108670

Place : Ahmedabad

Date : 30th May, 2016

For Mangalam Seeds Limited

Pravinbhai M. Patel

Director

DIN - 03173769

Ankit Soni

CFO

Mafatbhai J. Patel

Director

DIN - 03173737

Rujavi Chalisejar

Company Secretary



**CONSOLIDATED  
FINANCIAL  
STATEMENTS & NOTES**

# INDEPENDENT AUDITORS' REPORT

**TO,  
THE MEMBERS OF  
MANGALAM SEEDS LIMITED**

## **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of MANGALAM SEEDS LIMITED ("the Company"), which comprises the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

## **AUDITORS' RESPONSIBILITY**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31st March,



2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, 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- A”; and
- g) With respect to the other matters included in the auditor’s report and to best of our information and according to the explanation given to us.
  1. The company has disclosed the impact of pending litigation on its financial position in its financial statement, if any.
  2. The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  3. There has been no delay in transferring amounts, required to be transferred, to the investor’s education and protection fund by the company, if any.

**For Piyush J. Shah & Co.**  
**Chartered Accountants**  
**Firm Registration Number: 121172W**

**Piyush J. Shah**  
**Partner**  
**Membership number: 108670**  
**Place: Ahmedabad**  
**Date: 30th May, 2016**

Consolidated Balance Sheet as at 31st March, 2016

Particulars	Note	AMOUNT I(N ₹)	
		31-Mar-2016	31-Mar-2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	02	43,020,790	9,315,000
(b) Reserves and surplus	03	83,376,712	37,035,557
(c) Minority Shareholders		-	-
		<u>126,397,502</u>	<u>46,350,557</u>
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	04	710,764	290,547
(b) Deferred Tax Liability (Net)		-	-
(c) Long Term Provisions	05	1,582,201	1,025,399
(d) Other Non-Current Liabilities		-	-
		<u>2,292,965</u>	<u>1,315,946</u>
<b>4 Current liabilities</b>			
(a) Short Term Borrowings	06	49,717,237	31,734,724
(b) Trade payables	07	4,775,178	2,033,206
(c) Other Current Liabilities	08	6,043,297	3,959,983
(d) Short term Provisions	09	6,348,497	398,332
		<u>66,884,209</u>	<u>38,126,245</u>
		<u>195,574,676</u>	<u>85,792,748</u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	30,012,930	24,562,521
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current Investments		-	-
(c) Deferred tax assets		893,072	(41,096)
(d) Long-term loans and advances	11	60,000	-
(e) Other Non-current Assets		-	-
Preliminary Expenses (to the extent not written off)		-	31,142
		<u>30,966,002</u>	<u>24,552,567</u>
<b>2 Current assets</b>			
(a) Inventories	13	65,089,354	30,188,606
(b) Trade receivables	14	47,774,697	18,054,422
(c) Cash and cash equivalents	15	17,257,135	4,847,624
(d) Short-term loans and advances	16	33,845,244	8,056,409
(e) Other Current Assets	17	642,244	93,120
		<u>164,608,674</u>	<u>61,240,181</u>
		<u>195,574,676</u>	<u>85,792,748</u>

Summary of significant accounting policies

1 to 30

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.

For Mangalam Seeds Limited

FRN : 121172W

Chartered Accountants

Pravinbhai M. Patel  
Director  
DIN - 03173769

Ankit Soni  
CFO

Piyush J. Shah  
Partner  
M. No. 108670  
Place : Ahmedabad

Mafatbhai J. Patel  
Director  
DIN - 03173737

Rujavi Chalisehar  
Company Secretary

Consolidated Profit and loss statement for the year ended 31st March, 2016

Particulars	Note	AMOUNT	
		(IN ₹) 31-Mar-2016	(IN ₹) 31-Mar-2015
I. Revenue From Operations			
Sales	18	241,681,557	151,155,583
II. Other Income	19	285,609	156,887
III. Total Revenue (I + II)		<u>241,967,166</u>	<u>151,312,470</u>
IV. Expenses:			
Cost of materials consumed	20	178,922,993	111,026,341
Employee benefits expenses	21	8,435,385	7,690,633
Finance costs	22	3,479,194	2,907,711
Depreciation and amortization expense			
(i) Depreciation for the year		3,449,955	2,170,042
(ii) Preliminary Expenses W/off		-	31,140
Other expenses	23	25,000,644	14,624,787
Total expenses		<u>219,288,171</u>	<u>138,450,654</u>
V. Profit before exceptional and extraordinary items		<u>22,678,995</u>	<u>12,861,816</u>
VI. Exceptional items			
Prior Period Expenses		-	526,616
VII. Profit before extraordinary items and tax (V - VI)		<u>22,678,995</u>	<u>12,335,200</u>
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		<u>22,678,995</u>	<u>12,335,200</u>
X Tax expense:			
(1) Current tax		2,015,609	925,000
(2) Deferred tax		(934,168)	(56,346)
(3) Short / (Excess) Provision		3,042	(3,175)
XI Profit (Loss) for the period		<u>21,594,512</u>	<u>11,469,721</u>
XII Earnings per equity share:	24		
(1) Basic		5.58	23.35
(2) Diluted		5.58	23.35

Summary of significant accounting policies

1 to 30

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.

For Mangalam Seeds Limited

FRN : 121172W

Chartered Accountants

Pravinbhai M. Patel  
Director  
DIN - 03173769

Ankit Soni  
CFO

Piyush J. Shah

Partner

M. No. 108670

Place : Ahmedabad

Date : 30th May, 2016

Mafatbhai J. Patel  
Director  
DIN - 03173737

Rujavi Chalishajar  
Company Secretary

Consolidated Cash Flow Statement for the Year 2015-16

Particulars	AMOUNT	AMOUNT
	(IN ₹)	(IN ₹)
	31-Mar-2016	31-Mar-2015
<b>Cash flow from operating activities:</b>		
Net profit before tax as per statement of profit and loss	22,678,995	12,335,200
Adjusted for:		
Preliminary expenses	31,142	31,140
Provision for gratuity	556,802	1,025,399
Depreciation & amortization	3,449,955	2,170,042
Interest income on loans & advances given	(225,320)	(156,887)
Interest & finance costs	3,479,194	2,907,711
Operating cash flow before working capital changes	<u>29,970,768</u>	<u>18,312,604</u>
Adjusted for:		
(Increase)/ decrease in Inventories	(34,900,748)	17,383,158
(Increase)/ decrease in Trade Receivables	(29,720,275)	(4,932,401)
(Increase)/ decrease in Short-Term Loans and Advances and Other Current Assets	(26,337,959)	(7,975,154)
(Increase)/ decrease in Long-Term Loans and Advances	(60,000)	-
Increase/ (decrease) in Trade Payables	2,741,972	(20,820,869)
Increase/ (decrease) in Liabilities & Provisions	1,839,974	(4,276,494)
Cash generated from / (used in) operations	(56,466,268)	(2,309,156)
Income taxes paid	(1,003,042)	(700,000)
Net cash generated from/ (used in) operating activities [A]	<u>(57,469,310)</u>	<u>(3,009,156)</u>
<b>Cash flow from investing activities:</b>		
Purchase of fixed assets	(8,900,364)	(19,142,992)
Interest income on loans & advances given	225,320	156,887
Purchase of investments	-	-
Net cash flow from/(used) in investing activities [B]	<u>(8,675,044)</u>	<u>(18,986,105)</u>
<b>Cash flow from financing activities:</b>		
Proceeds from issue of equity shares / Addition in Capital	63,630,329	22,075,000
Proceeds from secured borrowing (net)	18,282,730	1,798,538
Proceeds/ (Repayment) from Directors Loan (net)	120,000	(3,370,703)
Increase/ (decrease) in Other Non Current Liabilities	-	(3,497,000)
Interest & finance costs	(3,479,194)	(2,907,711)
Net cash flow from/(used in) financing activities [C]	<u>78,553,865</u>	<u>14,098,124</u>
Net increase/(decrease) in cash & cash equivalents [A+B+C]	12,409,511	(7,897,137)
Cash & cash equivalents as at beginning of the year	4,847,624	12,744,761
Cash & cash equivalents as at end of the year [Refer Note-15]	<u>17,257,135</u>	<u>4,847,624</u>

For Piyush J. Shah & Co.  
FRN : 121172W  
Chartered Accountants

Piyush J. Shah  
Partner  
M. No. 108670  
Place : Ahmedabad  
Date : 30th May, 2016

For Mangalam Seeds Limited

Pravinbhai M. Patel  
Director  
DIN - 03173769

Mafatbhai J. Patel  
Director  
DIN - 03173737

Ankit Soni  
CFO

Rujavi Chalishajar  
Company Secretary

## Significant Accounting Policies

### 1. Basis of Accounting Policy

The Standalone Financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAPP), including the Accounting standards referred to in Section 133 of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

### 2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### 3. Fixed Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

### 4. Depreciation

Upto March 31st, 2014 depreciation on fixed assets is provided on written down value (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013. The carrying amount as on April 1st, 2014 is depreciated over the balance useful life of asset. Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

### 5. Inventories

Inventories are valued at lower of cost or net realizable value. Inventories are taken as valued and certified by the management of the company.

### 6. Revenue Recognition

Revenue is primarily derived from sale of seeds to distributors and dealers. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

### 7. Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried.

#### 8. Employee Benefits

The company has defined benefit plan for post employment benefit in the form of Gratuity for employees. The liability for the above Defined Benefit Plan is provided on the basis of management estimation till March 31, 2014 and from April 01, 2014 the liability was provided on the basis of actuarial valuation.

#### 9. Investments

Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

#### 10. Research & Development Expense

Revenue expenditure pertaining to research is charged to the Profit and Loss Statement. Development costs of products are charged to the Profit and Loss Statement.

#### 11. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, if any.

Contingent assets are neither recognized nor disclosed in the financial statements.

2 Share Capital:

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Authorized :		
Equity shares 5,000,000 of Rs.10 Each	50,000,000	50,000,000
Issued, Subscribed and Paid up :		
Equity shares 4,302,079 of Rs.10 Each (Previous Year 931,500 Equity Shares)	43,020,790	9,315,000
<b>TOTAL ` :</b>	<b>43,020,790</b>	<b>9,315,000</b>

2.1 The Details of Shareholder holding more than 5% Shares

Name Of Shareholder	As At		As At	
	31-03-2016		31-03-2015	
	No. Of Shares	% Held	No. Of Shares	% Held
Pravinkumar Mafatlal Patel	424,073	9.86%	64,093	6.88%
Kalpeshkumar Nathalal Patel	350,935	8.16%	58,880	6.32%
Narsinhbhai Jethabhai Patel	351,992	8.18%	140,255	15.06%
Revabhai Jethabhai Patel	390,588	9.08%	141,130	15.15%
Dhanjibhai Shivarambhai Patel	372,432	8.66%	80,958	8.69%
Mafatbhai Jethabhai Patel	310,806	7.22%	141,500	15.19%
Pradipbhai Nathabhai Patel	317,027	7.37%	63,700	6.84%
Nathalal J. Patel	65,250	1.52%	87,200	9.36%
<b>TOTAL :</b>	<b>2,583,103</b>	<b>60.04%</b>	<b>777,716</b>	<b>83.49%</b>

2.2 The Reconciliation of No. of shares outstanding is set out below:

Particulars	As At		As At	
	31-03-2016		31-03-2015	
	No.	Amount In ₹	No.	Amount In ₹
Equity Shares at the beginning of the year	931,500	9,315,000	140,000	1,400,000
Add: Shares issued as Bonus (Refer Sub Note-1)	2,018,251	20,182,510	350,000	3,500,000
Add: Shares issued as Private Placement (Refer Sub Note-2)	212,328	2,123,280	441,500	4,415,000
Add: Shares issued as Public Issue (Refer Sub Note-3)	1,140,000	11,400,000	-	-
Equity Shares at the end of the year	<b>4,302,079</b>	<b>43,020,790</b>	<b>931,500</b>	<b>9,315,000</b>

Sub Note: 1 During the Financial Year 2015-16 Company has allotted Bonus shares on 8th May, 2015 to its existing shareholders in the ratio of 13 shares against each 6 shares held by them out of balance in Securities Premium Account.

Sub Note: 2 During the Financial Year 2015-16 Company has allotted 212,328 Equity shares at ₹50 each (including ₹40 towards security premium) on 15th May, 2015.

Sub Note: 3 During the Financial Year Company went for Initial Public Offering of 1,140,000 Equity Shares at ₹50 each (including ₹40 towards security premium) and got listed on 12<sup>th</sup> August, 2015 on SME Platform of Bombay Stock Exchange, out of the same the company raised ₹5.70 Crores.

3 Reserves & Surplus:

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Profit & Loss A/c		
Opening Balance	14,775,557	3,354,573
Add: Profit for the year	21,594,512	11,469,721
Less: Proposed Dividend (Refer Sub Note:1)	(4,302,079)	-
Less: Provision for DDT (Refer Sub Note:2)	(875,817)	-
Less: Adjusted against Depreciation	-	(48,737)
Closing Balance	31,192,173	14,775,557
Share Premium Account		

Opening Balance	22,260,000	8,100,000
Add: Premium Received During the year (Refer Sub Note: 3)	54,093,120	17,660,000
Less: Bonus Issue during the year (Refer Sub Note: 4)	(20,182,510)	(3,500,000)
Less: Preliminary Expenses written off (Refer Sub Note: 5)	(3,986,071)	-
Closing Balance	52,184,539	22,260,000
TOTAL ₹ :	83,376,712	37,035,557

Sub Note: 1 The management have recommended dividend of ₹1/- per Equity share, to the Shareholders of the Company. (Previous Year - No Dividend was recommended by the management.)

Sub Note: 2 The Company have made provision for Dividend Distribution Tax @ 20.358% on the amount of Proposed Dividend. (Previous Year - No Dividend was recommended by the management, therefore no provision have been made.)

Sub Note: 3 During the Financial Year, the Company have issued 212,328/- Equity Shares under Private Placement and 1,140,000 Equity Shares in Initial Public Offer at premium of ₹40/- per Equity Share.

Sub Note: 4 During the Financial Year Company has issued Bonus shares to existing shareholders in the ratio of 6 shares against each 13 shares held by them out of Securities Premium Account.

Sub Note: 5 During the Financial Year, the Company has incurred ₹4,440,789/- towards share issue expense, after deducting ₹500,000/- being subsidy receivable, the same has been set off against Security Premium as per Section 52 of the Companies Act, 2013.

#### 4 Long Term Borrowings:

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Secured Borrowing:		
HDFC Bank Limited- Car Loan	-	290,547
HDFC Bank Limited- Car Loan (Refer Sub Note - 1)	590,764	-
Unsecured Loans from Related Parties		
Loans from Directors (Refer Sub Note:2)	120,000	-
TOTAL ₹ :	710,764	290,547

Sub Note: 1 Car Loan of Rs. 590,764 as on March 31, 2016 of HDFC Bank Limited is secured by way of hypothecation of car at the rate of 9.61%.

Principal Terms and Conditions of Long Term Borrowings:

Sr. No.	Type of Facility	As at 31st March, 2015	Rate of Interest	Repayment	Security
1	Car Loan- HDFC Bank Ltd.	590,764	9.61%	36 Equal monthly Installments	Refer Note - 1

Sub Note: 2 Loans taken from Director includes Long-Term Loan from the Director, at free of interest.

#### 5 Long Term Provision:

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Provision for Employee Benefits	1,582,201	1,025,399
TOTAL ₹ :	1,582,201	1,025,399



6 Short Term Borrowings:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
<b>Loans Repayable on Demand</b>		
Secured Loan from Bank (Refer Sub Note - 1)	49,717,237	31,734,724
<b>TOTAL ₹ :</b>	<b>49,717,237</b>	<b>31,734,724</b>

Sub Note: 1 Working Capital Loan from HDFC Bank of ₹4,97,17,237/- as on March 31, 2016 is secured against hypothecation of Present and Future Stock and Book Debts at the rate of 10.80%.

Principal Terms and Conditions of Loan:

Sr. No.	Type of Facility	As at 31st March, 2016	Rate of Interest	Repayment	Security
1	Working Capital Loan	49,717,237	10.80%	On Demand	Present & Future Stock & Book Debts

7 Trade Payables:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Creditors for Goods	1,759,300	130,549
	<b>1,759,300</b>	<b>130,549</b>
Creditors For Expenses	3,015,878	1,902,657
	<b>3,015,878</b>	<b>1,902,657</b>
<b>TOTAL ₹ :</b>	<b>4,775,178</b>	<b>2,033,206</b>

Sub Note: 1 Outstanding Balances of Trade Payables as on 31st March, 2016 are taken as certified by management. The same is subject to reconciliation and confirmations.

8 Other Current Liabilities:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Other Payables (Refer Sub Note: 1)	5,440,979	3,284,288
	5,440,979	3,284,288
Current Maturities of Long Term Debts (Refer Sub Note: 2 & 3)	602,318	675,695
	602,318	675,695
<b>TOTAL ₹ :</b>	<b>6,043,297</b>	<b>3,959,983</b>

Sub Note: 1 Other Payables includes amount received as advance from customers and amount to be paid to employees of the Company.

Sub Note: 2 Car Loan of Rs. 290,547/- as on March 31, 2016 of HDFC Bank Limited is secured by way of hypothecation of car at the rate of 10.51%.

Sub Note: 3 Car Loan of Rs. 311,771/- as on March 31, 2016 of HDFC Bank Limited is secured by way of hypothecation of car at the rate of 9.61%.

Principal Terms and Conditions of Loan:

Sr. No.	Type of Facility	As at 31st March, 2016	Rate of Interest	Repayment	Security
1	Car Loan- HDFC Bank Ltd.	290,547	10.51%	24 Monthly Installment of Rs. 16,071/-	Refer Note - 1
2	Car Loan- HDFC Bank Ltd.	311,771	9.61%	36 Monthly Installment of Rs. 19,285/-	Refer Note - 2

9 Short Term Provisions:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Payable to Government		
TDS Payable	154,992	186,154
Provision For Tax (Net of Advance Tax and TDS Receivable) (Refer Sub Note:1)	1,015,609	212,178
Payable to Shareholders		
Proposed Dividend (Refer Sub Note:2)	4,302,079	-
Provision for Dividend Distribution Tax (Refer Sub Note:3)	875,817	-
<b>TOTAL ₹ :</b>	<b>6,348,497</b>	<b>398,332</b>

Sub Note: 1 The Company have provided for Income Tax Provision at the applicable rate on income derived from trading of goods and had paid ₹1,000,000/- towards advance tax.

Sub Note: 2 The management have recommended dividend of ₹1/- per Equity share, to the Shareholders of the Company. (Previous Year - No Dividend was recommended by the management.

Sub Note: 3 The Company have made provision for Dividend Distribution Tax @ 20.358% on the amount of Proposed Dividend. (Previous Year - No Dividend was recommended by the management, therefore no provision have been made.)

# Intentionally Kept Blank

10 Fixed Assets : (As at 31-March-2016)

SR.	Description of Assets	Gross Block				Depreciation/Amortisation/Depletion				Net Block	
		As at 01-Apr-15	Additions / Adjustments	Deductions / Adjustments	As at 31-Mar-16	As at 01-Apr-15	For the Year	Deductions / Adjustments	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
	Tangible Assets:										
1	Godown Office	671,175	-	-	671,175	182,810	21,879	-	204,689	466,486	488,365
2	Godown Building	18,215,400	-	-	18,215,400	4,940	901,474	-	906,414	17,308,986	18,210,460
3	Plant & Machinery	5,272,192	3,968,730	-	9,240,922	1,821,609	1,039,753	-	2,861,362	6,379,560	3,450,583
4	Motor Vehicle (Scooter etc.)	149,197	52,283	-	201,480	96,516	25,909	-	122,425	79,055	52,681
5	Office Equipment	234,796	228,800	-	463,596	175,993	75,665	-	251,658	211,938	58,804
6	Computer & Networks	171,922	-	-	171,922	168,644	2,503	-	171,147	775	3,278
7	Electronic Equipment	254,619	248,159	-	502,778	127,844	75,808	-	203,652	299,126	126,775
8	Motor Cars	4,013,519	4,374,283	-	8,387,802	2,298,140	1,167,449	-	3,465,589	4,922,213	1,715,379
9	Furniture	932,818	28,109	-	960,927	541,160	119,069	-	660,229	300,698	391,657
10	Solar Water Heater	131,250	-	-	131,250	66,711	20,446	-	87,157	44,093	64,539
	Total	30,046,888	8,900,364	-	38,947,252	5,484,367	3,449,955	-	8,934,322	30,012,930	24,562,521
	Previous Year	10,688,335	291,800	76,241	10,903,894	1,665,781	2,170,042	31,943	3,265,588	7,638,308	-

11 Long-Term Loans & Advances:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Deposits with Government		
CST Deposit (Refer Sub Note: 1 & 2)	30,000	-
VAT Deposit (Refer Sub Note: 1 & 2)	30,000	-
<b>TOTAL ₹ :</b>	<b>60,000</b>	<b>-</b>

Sub Note: 1 Deposits are considered good in respect of which company does not hold any security as they are given to Government.

Sub Note: 2 Deposits given to Government in the nature of VAT & CST Deposits are recoverable after 3 years from the date on which they are given i.e. in the Financial Year 2018-19.

12 Deffered Tax Assets:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Deferred Tax Liabilities		
Related to Fixed assets	(88,082)	(41,096)
Deferred Tax Assets		
Disallowance under the income Tax Act 1961	981,153	-
<b>TOTAL ₹ :</b>	<b>893,072</b>	<b>(41,096)</b>

13 Inventories:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Finished Goods	65,089,354	30,188,606
<b>TOTAL ₹ :</b>	<b>65,089,354</b>	<b>30,188,606</b>

Sub Note: 1 Inventories as on 31st March, 2016 have been taken as certified by management; the same had been also physically verified on 31st March, 2016.

14 Trade Receivables:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Unsecured and Considered Good		
Outstanding for a period of more than six months	6,596,336	1,806,256
Others	41,178,361	16,248,166
<b>TOTAL ₹ :</b>	<b>47,774,697</b>	<b>18,054,422</b>

Sub Note: 1 Outstanding Balances of Trade Receivables as on 31st March, 2016 are taken as certified by management. The same is subject to reconciliation and confirmations.

15 Cash & Cash Equivalents:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Cash On Hand	1,265,174	386,947
H.D.F.C Bank A/C No.-00062320013951	14,110,552	4,160,677
Balance with Bank-Subsidiary Companies	1,881,409	300,000
TOTAL ₹ :	17,257,135	4,847,624

16 Short-Term Loans & Advances:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Advances to Related Parties Deposit/Advance to Related Parties (Refer Sub Note:1)	1,000,000	-
Advances to Others-Unsecured Advances to Suppliers (Refer Sub Note:2) Deposit to Others (Refer Sub Note:3)	32,275,244 570,000	8,056,409 -
TOTAL ₹ :	33,845,244	8,056,409

Sub Note: 1 Deposit to Related Party includes Deposit given against Green House taken on Lease by the Company.

Sub Note: 2 Advance to supplier includes advances given without any security.

Sub Note: 3 Deposit to Others includes Deposit given to Bombay Stock Exchange at the time of Initial Public Offer.

17 Other Current Assets:

Particulars	As At 31-03-2016	As At 31-03-2015
	Amount In ₹	Amount In ₹
Other Current Assets Advances to Others	11,088	-
Receivables from Government Receivables including Subsidy	523,990	23,990
Prepaid Expenses Prepaid Insurance Expenses	107,166	69,130
TOTAL ₹ :	642,244	93,120

Sub Note: 1 Receivables from Government includes ₹ 5 Lakhs to be receivable from Gujarat Government as subsidy for raising Equity capital through SME Exchange.

## 18 Revenue From Operations:

Particulars	As At 31-03-2016	As At 31-03-2015
Revenue from Sale of Products	Amount In ₹ 294,419,642	Amount In ₹ 170,213,564
Less: Rate Differences on Sales	52,738,085	19,057,981
<b>TOTAL ₹ :</b>	<b>241,681,557</b>	<b>151,155,583</b>

## 19 Other Income:

Particulars	As At 31-03-2016	As At 31-03-2015
Income on Loan Given	Amount In ₹ 225,320	Amount In ₹ 128,219
Sundry Balances written off	60,289	28,668
<b>TOTAL ₹ :</b>	<b>285,609</b>	<b>156,887</b>

## 20 Cost of Materials Consumed:

Particulars	As At 31-03-2016	As At 31-03-2015
Opening Stock	Amount In ₹ 30,188,606	Amount In ₹ 47,571,764
Add: Purchases	37,292,030	36,586,884
Lease Rent Expenses	60,097,450	20,087,880
Labor Charges	64,682,250	17,822,883
Water Charges	19,073,976	6,064,701
Tractor Rent Expenses	10,142,458	3,724,196
Pesticides & Fertilizer Charges	13,266,668	4,274,088
Packing Expenses	9,268,909	5,082,551
	244,012,347	141,214,947
Less : Closing Stock	65,089,354	30,188,606
<b>TOTAL ₹ :</b>	<b>178,922,993</b>	<b>111,026,341</b>

## 21 Employee Benefit Expense:

Particulars	As At 31-03-2016	As At 31-03-2015
Bonus Expenses	Amount In ₹ 206,600	Amount In ₹ 118,250
Directors Remuneration	1,140,000	357,000
Gratuity Expense	556,802	498,783
Salary & Wages Expenses	6,531,983	6,716,600
<b>TOTAL ₹ :</b>	<b>8,435,385</b>	<b>7,690,633</b>

## 22 Finance Cost:

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Bank Charges	7,001	2,528
Interest to Bank - Cash Credit	2,704,551	2,743,204
Interest on Car Loan	98,942	70,049
Interest on Taxes	62,230	2,042
Hypothecation Expenses	606,470	89,888
<b>TOTAL ₹ :</b>	<b>3,479,194</b>	<b>2,907,711</b>

Sub Note: 1 Interest Expenses are net of interest capitalized in Fixed Assets.

## 23 Other Expenses:

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Establishment Expenses		
Charity & Donation Expenses	460,165	-
Fumigation Expenses	144,897	54,291
Godown Expenses	418,195	774,475
Insurance Expenses	146,768	65,463
Labor Expenses	1,003,503	1,504,218
Membership Fees	433,039	30,000
Miscellaneous Expenses	-	12,167
Municipal Tax Expenses	14,711	14,719
Office Expenses	103,575	70,471
Printing & Stationery Expenses	55,486	38,770
Professional Fees (Including Statutory Auditors Remuneration)	1,633,653	423,714
Professional Tax Expenses	4,800	4,800
R.O.C Expenses	39,890	581,600
Registration Expenses	44,280	31,750
Rent Expenses	4,488,150	895,000
Repair & Maintenance Expenses	274,450	55,664
Packing Expenses	101,022	-
Share Transfer Agent Fees	18,235	-
Tea & Refreshment Expenses	48,046	30,280
Trade Mark Expenses	11,000	78,500
Travelling Expenses	1,343,526	969,328
Vehicle Expenses	364,738	191,309
Water Charges	9,600	9,480
Transportation Related Expenses		
Freight Expenses	3,505,663	2,797,427
Loading & Unloading Expenses	485,065	232,505
Communication Expenses		
Postage & Courier Expenses	27,864	40,049
Telephone Expenses	139,776	113,327
Power & Fuel Expenses		
Power & Fuel Expenses	863,583	717,821
Research & Development Expenses		
Research & Development Expenses	5,132,153	2,970,133

Selling & Distribution Expenses		
Advertisement Expenses	1,642,160	1,411,466
Sales Promotion Expenses	2,042,651	506,061
TOTAL ₹ :	25,000,644	14,624,787

24 Earning Per Share :

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Basic Earning Per Share	5.58	23.35
Diluted Earning Per Share	5.58	23.35
Nominal Value Per Share	Rs. 10.00	Rs. 10.00

Earning Per share is calculated by dividing the Profit/(Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below

Particulars	As At	As At
	31-03-2016	31-03-2015
	Amount In ₹	Amount In ₹
Profit / (Loss) after taxation	21,594,512	19,678,801
Net Profit/ (Loss) attributable to Equity Shareholders	21,594,512	19,678,801

Weighted Average Number of shares outstanding during the year	3,871,038	491,210
---------------------------------------------------------------	-----------	---------

25 Outstanding balances of Creditors and Debtors are subject to confirmations / reconciliation.

26 As informed to us, the Contingent Liability is NIL

27 Previous year's figures have been regrouped and rearranged wherever necessary.

28 Related Party Disclosures:

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

i) List of Related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
i)	Kashvin Seeds Private Limited	Enterprises over which KMP are able to exercise significant influence
ii)	Shri Mafatlal J. Patel	Chairman
iii)	Shri Pravin M. Patel	Managing Director
iv)	Shri Dhanajibhai S. Patel	Director
v)	Smt. Chhayaben P. Patel	Relative of KMP
vi)	Smt. Shantaben M. Patel	Relative of KMP
vii)	Smt. Induben D. Patel	Relative of KMP
viii)	Shri Revabhai J. Patel	Relative of KMP
ix)	Shri Narsinhbhai J. Patel	Relative of KMP
x)	Shri Nathabhai J. Patel	Relative of KMP
xi)	Patel Krushi Seva Kendra	Enterprises over which Directors are able to exercise significant influence



xii)	Mafatlal J. Patel - HUF	Enterprises over which Directors are able to exercise significant influence
xiii)	Pravin M. Patel - HUF	Enterprises over which KMP are able to exercise significant influence
xiv)	Dhanaji S. Patel - HUF	Enterprises over which Directors are able to exercise significant influence

ii) Transactions during the year with related parties:

Sr. No.	Name of the Related Party	Nature of Transactions	Amount (In `) / Number of Shares
i)	Shri Mafatlal J. Patel	Remuneration	420,000
		Allotment of Shares against Cash	4,509
		Allotment of Shares as Bonus Share	204,490
		Purchase of Goods	2,529,900
		Rent Paid	1,126,875
ii)	Shri Pravin M. Patel	Remuneration	300,000
		Office Rent	180,000
		Allotment of Shares against Cash	11,905
		Allotment of Shares as Bonus Share	271,375
iii)	Shri Dhanajibhai S. Patel	Remuneration	420,000
		Allotment of Shares against Cash	26,046
		Allotment of Shares as Bonus Share	237,001
iv)	Smt. Chhayaben P. Patel	Salary	300,000
		Allotment of Shares against Cash	6,512
v)	Smt. Shantaben M. Patel	Salary	180,000
		Allotment of Shares against Cash	10,551
vi)	Smt. Induben D. Patel	Salary	180,000
		Allotment of Shares against Cash	3,682
vii)	Shri Revabhai J. Patel	Salary	600,000
		Rent Paid	1,690,725
		Deposit	1,000,000
		Allotment of Shares against Cash	12,099
		Allotment of Shares as Bonus Share	254,456
viii)	Shri Narsinhbhai J. Patel	Salary	600,000
		Rent Paid	629,975
		Purchase of Goods	4,110,300
		Allotment of Shares against Cash	25,735
		Allotment of Shares as Bonus Share	243,273

ix)	Shri Nathabhai J. Patel	Rent Paid	740,575
x)	Patel Krushi Seva Kendra	Purchase of Goods	136,640
xi)	Mafatlal J. Patel - HUF	Allotment of Shares against Cash	2,983
		Allotment of Shares as Bonus Share	37,700
xii)	Pravin M. Patel - HUF	Allotment of Shares as Bonus Share	51,545
xiii)	Dhanaji S. Patel - HUF	Allotment of Shares as Bonus Share	45,554

Sub Note: 1 In the above table, where the transaction is related to shares, it is mentioned in number of shares.

29 Payment to Auditors as:

Sr. No.	Auditor	2015-16	2014-15
i)	Statutory Audit	100,000	50,000
ii)	Tax Audit	50,000	25,000

30 Segment Reporting

The Company have not any business segment or geographical segment other than the one i.e. Dealing in seeds. Therefore, the Accounting Standard 17 "Segment Reporting" is not applicable.

For Piyush J. Shah & Co.  
FRN : 121172W  
Chartered Accountants

Piyush J. Shah  
Partner  
M. No. 108670

Place : Ahmedabad  
Date : 30th May, 2016

For Mangalam Seeds Limited

Pravinbhai M. Patel  
Director  
DIN - 03173769

Mafatbhai J. Patel  
Director  
DIN - 03173737

Ankit Soni  
CFO

Rujavi Chalisajar  
Company Secretary

## PROXY FORM MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)]

### Annual General Meeting held on September 26, 2016

**CIN** : L01112GJ2011PLC067128

**Name of the Company** : MANGALAM SEEDS LIMITED

**Registered Office** : 202, Sampada Complex, B/h Tulsi Complex,  
Mithakhali Six Road, Navrangpura,  
Ahmedabad, Gujarat, INDIA-380009

**Website** : [www.mangalamseeds.com](http://www.mangalamseeds.com).

<b>Name of the member (s)</b>	
<b>Registered Address</b>	
<b>E-mail Id</b>	
<b>Folio No./Client Id</b>	
<b>DP ID</b>	

I / We, being the member(s) of \_\_\_\_\_ Equity Shares of Mangalam Seeds Limited, hereby appoint

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... ,or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on the 26<sup>th</sup> day of September 2016 at 02.00 P.M. at the Registered Office of the Company and at any adjournment thereof, in respect of such resolutions set out in the EGM Notice convening the meeting, as are indicated below:

**Resolution No.**

1. Adoption of Financial Statements
2. Declaration of Dividend
3. Appointment of Mr. Dhanajibhai S. Patel as director liable to retire by rotation
4. Appointment of Statutory Auditors
5. Remuneration of Mr. Pravinkumar M. Patel, Managing Director of the Company

Signed this ..... day of ..... 2016

Signature of Shareholder

Signature of Proxy Holder(s)

Affix Re.1/- Revenue Stamp
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**Note: The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the meeting.**

## ATTENDANCE SLIP

(To be handed over at the Registration Counter)

Annual General Meeting held on 26<sup>th</sup> September 2016

<b>Folio No./DP ID - Client ID No.:</b>	
<b>No. of Shares</b>	

I/We hereby record my/our presence at the Annual General Meeting of the Company being held on 26<sup>th</sup> day of September 2016 at 02:00 PM at 202, Sampada Complex, B/h Tulsi Complex, Mithakhali Six Road, Navrangpura, Ahmedabad, Gujarat, INDIA-380009.

1. Name(s) of the Member : 1. Mr./Ms.....

And Joint Holder(s) :2. Mr./Ms.....

(In block letters) :3. Mr./Ms.....

2. Address: .....

.....

3. Father's/Husband's

Name (of the Member): Mr. ....

4. Name of Proxy: Mr./Ms. ....

1.....

2.....

3.....

Signature of the Proxy

Signature(s) of Member and Joint Holder(s)

**Note: Please complete the Attendance slip and hand it over at the Registration Counter at the venue.**