



## MANGALAM ORGANICS LIMITED

**Registered Office:** Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli, Maharashtra- 410 202, India

**Administrative Office:** 812 Tulsiani Chambers, 212 Nariman Point, Mumbai- 400 021, Maharashtra, India

**CIN:** L24110MH1981PLC024742 | **Website:** www.mangalamorganics.com

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### NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) including any statutory modification or re-enactment thereof for the time being in force, and other applicable provisions, if any, that the resolution appended below for the adoption of New set of Articles of Association of Mangalam Organics Limited (the “**Company**”) and the proposed Buyback of its fully paid up equity shares having a face value of Rs. 10/- each by Mangalam Organics Limited (the “**Company**”) is proposed to be passed as a Special Resolution by way of Postal Ballot / Electronic voting (“**E-voting**”).

The Company is desirous of seeking your consent for the below mentioned proposals as contained in the resolution appended below. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and other applicable legal provisions, pertaining to the said resolution setting out the material facts concerning such item(s) and the reasons thereof are annexed hereto along with a **Postal Ballot Form** for your consideration.

1. In order to permit the Company to buy back equity shares of the Company it is necessary to amend the Articles of Association of the Company for inclusion of specific clause regarding buy back of equity shares. It is also considered necessary to alter the Articles of Association of the Company to commensurate with the provisions of Companies Act, 2013. Considering the multiple changes required to be made in the Articles especially to be in line with the new provisions of the Companies Act 2013, it is proposed to adopt a new set of Articles of Association of the Company as prescribed under the Table F of the Companies Act, 2013. As required under the provisions of Sec. 14 and Rules made there under, if any, and to the extent applicable, the Company can amend / adopt new set of Articles of Association through postal ballot. Necessary resolution is therefore proposed to the shareholders for their approval.
2. The Board of Directors of the Company, at its meeting held on February 02, 2018 (“**Board Meeting**”) had, subject to the adoption of new set of Articles of Association of the company by the shareholders of the company, which empowers the company to Buyback shares and other specified securities of the company and pursuant to the provisions of Sections 68, 69, 70, 110, 179 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (the “**Companies Act**”) and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the “**Buyback Regulations**”), and subject to the approval of the Members of the Company by way of Special Resolution and approval of statutory, regulatory or governmental authorities as may be required under applicable laws, recommended Buyback of upto 6,10,000 (Six Lakh Ten Thousand Only) Equity Shares of face value of Rs. 10/- each of the Company, from all the Members holding equity shares of the Company, except the Promoter and Promoters’ Group, persons in control (including such person acting in concert) of the Company (including members thereof) who hold equity shares of the Company, as on the Record Date to be determined by the Company, on a proportionate basis through the “**Tender Offer**” route in accordance with the Companies Act, the Management Rules and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time at a price of Rs. 230/- (Rupees Two Hundred Thirty Only) per equity share payable in cash for an aggregate amount of Rs. 14,03,00,000/- (Rupees Fourteen Crores Three Lakh Only).

The aforesaid buyback shall be less than 25% of the aggregate fully paid up equity share capital and free reserves of the Company.

Since the Buyback is more than 10% of the total paid up equity capital and free reserves of the Company, pursuant to Section 68 of the Companies Act, 2013 and other applicable legal provisions, it is necessary to obtain the consent of the Members holding equity shares of the Company by way of a special resolution for the proposed buyback of equity shares. Further, as per Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the consent of the members is required to be obtained for the buyback by means of a postal ballot. Accordingly, the company is seeking your consent for the aforesaid proposal as contained in the resolution appended below.

Pursuant to Rule 22(5) of the Management Rules, the Board of Directors of the Company has appointed Mr. Yogesh Sharma, Practicing Company Secretary as the Scrutinizer for the Postal Ballot process in a fair and transparent manner.

The Members holding equity shares of the Company are requested to carefully read the instructions enclosed with the Postal Ballot Form and return the said Form duly completed in the attached self- addressed, postage prepaid envelope, if posted in India, so as to reach the Scrutinizer at 21/25, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East),

Mumbai - 400093, Maharashtra, India, not later than close of working hours (5.00 pm IST) on Friday, March 16, 2018. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. Also, the e-voting module will be disabled after the business hours i.e. 5.00 pm IST on Friday, March 16, 2018 for voting by the Members holding equity shares of the Company. The postage will be borne and paid by the Company.

In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, E-Voting facility is also provided to all Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members holding equity shares of the Company are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The e-voting module will be disabled after the business hours i.e. 5.00 pm IST on Friday, March 16, 2018 for voting by the Members holding equity shares of the Company. The Members holding equity shares of the Company have both the options of voting i.e. by e-voting and through Postal Ballot Form. Kindly note that while exercising their vote, Members holding equity shares of the Company can opt for only one of the two modes of voting i.e. either through Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote through Postal Ballot Form and vice versa. In case member votes through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot will be treated as invalid. Further, a person who is not a member as on the cut-off date i.e. Friday, February 02, 2018, should treat this Notice for information purposes only.

The Scrutinizer will submit his report to the Chairman or in his absence a person authorized by him in writing, after completion of scrutiny of Postal Ballot (including e-voting). The results of the Postal Ballot will be announced on or before Saturday, March 17, 2018 and will be displayed at the Registered and Administrative Office of the Company and to be communicated to BSE Limited (the “BSE”) where the equity shares of the Company are listed. The results of the Postal Ballot will also be displayed on the Company’s website: [www.mangalamorganics.com](http://www.mangalamorganics.com) and on the website of Central Depository Services Limited (“CDSL”). The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last day specified by the Company for receipt of postal ballot forms or e-voting i.e. Friday, March 16, 2018.

The Members are requested to consider and, if thought fit, pass the following resolutions:

**SPECIAL BUSINESS:**

**Item No. 1**

**ADOPTION OF NEW ARTICLES OF ASSOCIATION**

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions or Rules if any, the new set of Articles of Association as placed before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted as new set of Articles of Association (as prescribed under the Table-F of the Companies Act, 2013) of the Company in the place of and exclusion of the existing Articles of Association.

**RESOLVED FURTHER THAT** Shri Kamalkumar Dujodwala, Chairman and Shri Pannkaj Dujodwala, Managing Director of the Company, be and is hereby authorised to do all such acts, deeds and things as may be required in order to give effect to above adoption of new set of Articles of Association on behalf of the Company.

**Item No. 2**

**APPROVAL FOR BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE**

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

**“RESOLVED THAT** subject to the adoption of new set of Articles of Association of the company by the shareholders of the company, which empowers the company to Buyback shares and other specified securities of the company and pursuant to the provisions of Sections 68, 69, 70, 110, 179 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (the “Act”) and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (“Buyback Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments, statutory modification(s) or re-enactment of the Act or Buyback Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (herein referred to as the “Board”, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of members of the Company be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares of Rs. 10 /- each not exceeding 6,10,000 equity shares (representing approximately 6.74% of the total number of equity shares in the paid up equity share capital of the Company) at a price of Rs. 230/- (Rupees Two Hundred and Thirty Only) per equity share (“Buyback Price”) payable in cash for an aggregate amount of Rs. 14,03,00,000/- (Rupees Fourteen Crores Three Lakh Only) (“Buyback Size”), being 24.32% (which is within the statutory requirement of 25%) of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited accounts of the Company for the nine months ended December 31, 2017 from the equity shareholders of the Company, except the Promoter and Promoters’ Group, persons in control (including such person

acting in concert) of the Company (including members thereof) who hold equity shares of the Company, as on the record date, on a proportionate basis through the “**Tender offer**” route as prescribed under the Buyback Regulations “**Buyback**”). The Buyback Offer size does not include any expenses incurred or to be incurred for the Buyback like filing fees, advisory fees, public announcement expenses, printing and dispatch expenses, and other incidental and related expenses;

**RESOLVED FURTHER THAT** the Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto, and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time;

**RESOLVED FURTHER THAT** such Buyback may be made out of the Company’s free reserves and / or such other sources as may be permitted by law through “**Tender Offer**” route and as required by the Buyback Regulations and the Companies Act. The Company may buyback equity shares from all the existing Members holding equity shares of the Company on a proportionate basis as on the record date, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buyback Regulations;

**RESOLVED FURTHER THAT** the Buyback from non-resident Members holding equity shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed thereunder, if any;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s) / Officer(s) / Authorised Representative(s) / Committee (“**Buyback Committee**”) of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, the timeframe for completion of Buyback; appointment of Merchant Bankers, Brokers, Solicitors, Depository Participants, advertising agencies and other advisors / consultants / intermediaries / agencies, as may be required, for the implementation of the Buyback; Preparation, signing and filing of the public announcement, the Draft letter of offer / Letter of Offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India (“**SEBI**”), Reserve Bank of India (“**RBI**”) under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed there under; and to initiate all necessary actions for preparation and issue of various documents including letter of offer, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, enter into escrow arrangements as required in terms of the Buyback Regulations; opening, operation and closure of all necessary accounts including escrow account, special payment account, demat escrow account as required in terms of the Buyback Regulations, extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, as may be required to be filed in connection with the Buyback with SEBI, RBI, BSE Limited (“**BSE**”), Registrar of Companies, Depositories and / or other regulators and statutory authorities as may be required from time to time;

**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on the part of any shareholder to offer and / or any obligation on the part of Company or the Board or the Buyback Committee to buyback any shares, and/or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by law;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board of Directors  
For **Mangalam Organics Limited**

Place: Mumbai  
Date: February 02, 2018

Ankur Gala  
Company Secretary and Compliance Officer

**NOTES AND INSTRUCTIONS:**

1. A Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 and rules made thereunder stating material facts and reasons for the proposed resolution is annexed hereto. It also contains all the disclosures as specified in the Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
2. The Postal Ballot Notice will be sent to all the Members, whose names appear on the Register of Members/ List of beneficial owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on the close of business hours on Friday, February 02, 2018 ('Cut-off date').
3. The notice is being sent by electronic mode to those members, whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. Members may note that this notice will also be available on the Company's website at [www.mangalamorganics.com](http://www.mangalamorganics.com)
4. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Management Rules, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide voting by electronic means ("e-voting") facility to the Members, to enable them to cast their votes electronically. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting platform to its Members.
5. Each Member can opt for only one mode of voting i.e. either by sending the physical postal ballot form or by E-voting. A Member cannot vote both by post and e-voting, and if he votes both by post and e-voting, his vote by post shall be treated as invalid.
6. A member cannot exercise his vote by proxy on Postal Ballot.
7. Dispatch of the Postal Ballot Notice shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) Marathi newspaper, each with wide circulation in the State of Maharashtra, where the registered office of the Company is situated, and shall be hosted on the Company's website.
8. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed overleaf on the Postal Ballot Form and return the said Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, Mr. Yogesh Sharma, Practicing Company Secretary (COP - 12366) so that it reaches the Scrutinizer not later than by 5.00 p.m. IST on Friday, March 16, 2018. The postage will be borne by the Company. However, envelopes containing Postal Ballot Form, if sent by courier or registered / speed post at the expense of the Members will also be accepted. If any Postal Ballot Form is received after 5.00 p.m. IST on Friday, March 16, 2018, it will be considered that no reply from the Member has been received. Additionally, please note that the Postal Ballot Forms shall be considered invalid if (i) it is not possible to determine without any doubt the assent or dissent of the Member, and/ or (ii) a competent authority has given directions in writing to the Company to freeze the voting rights of the Member, and/ or (iii) it is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and/ or (iv) the Member has made any amendment to the resolution set out herein or imposed any condition while exercising his vote.
9. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on Thursday, February 15, 2018 at 09:00 a.m. (IST) and ends on Friday, March 16, 2018 at 05:00 p.m. (IST) .During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, February 02, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on Shareholders / Members
  - (vi) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul>



	<ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <MANGALAM ORGANICS LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
10. The e-voting period commences on Thursday, February 15, 2018 (9.00 a.m. IST) and ends on Friday, March 16, 2018 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, February 02, 2018 i.e. Cut-off date, may cast their vote electronically. The e-voting module shall be disabled for any voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
11. Members who are desirous of obtaining a duplicate Postal Ballot form; he or she may send an email to [karlekar@unisec.in](mailto:karlekar@unisec.in) The Registrar and Share Transfer Agent of the Company. The Company shall forward the same along with postage prepaid self-addressed Business Reply Envelope to the Member.

12. Members may contact Mr. Ankur Gala, Company Secretary and Compliance Officer of the Company at [info@mangalamorganics.com](mailto:info@mangalamorganics.com) or Universal Capital Securities Private Limited, Registrar and Share Transfer Agents of the Company at [karlekar@unisec.in](mailto:karlekar@unisec.in) for any grievances or queries related to voting by postal ballot including voting by electronic means.
13. The resolutions shall be taken as passed effectively on the last date specified for the receipt of Postal Ballot forms. The results of the postal ballot shall be announced on or before Saturday, March 17, 2018 by 4:00 p.m. (IST), which shall be submitted to the Stock Exchanges where shares of the Company are listed i.e. [www.bseindia.com](http://www.bseindia.com) and will also be published in at least one English and one vernacular newspaper circulating in the state of Maharashtra. The result of the Postal Ballot along with the Scrutinizers' Report shall also be hosted on website of the Company.
14. Notice of Postal Ballot along with Postal Ballot Form containing the process, instructions and the manner of conducting E -voting is being sent electronically to all the Members whose email ID's are registered with the Company / Depository Participant(s). For Members who request for a hard copy and for those who have not registered their email addresses, physical copies of the same are being sent through the permitted mode.
15. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member as on Friday, February 02, 2018. Members can vote for their entire voting rights as per their discretion.
16. All the material documents referred to in the Explanatory Statement are available for inspection by the Members of the Company at its Registered and Administrative Office on any working day except Saturday, Sunday and Public holiday between 10.00 am IST and 4.00 pm IST up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice.
17. A copy of the Notice is also available on the website of the Company, at [www.mangalamorganics.com](http://www.mangalamorganics.com), website of Universal capital Securities Private Limited at [www.unisec.in](http://www.unisec.in), website of the BSE Limited, at [www.bseindia.com](http://www.bseindia.com)
18. In the opinion of the Board, the adoption of new set of Articles of Association and proposal for Buyback is in the interest of the Company and its Members holding equity shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.
19. None of the Directors or any key managerial personnel of the Company including their relatives are, in anyway, concerned or interested, financially or otherwise, in passing of the proposed resolutions, save and except to the extent of their shareholding in the Company, if any.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”) FORMING PART OF THE NOTICE****Item No. 1**

In terms of Section 14 of the Companies Act, 2013, the Board in its meeting held on February 02, 2018, decided to adopt the new set of Articles of Association with the approval of the Shareholders of the Company to enable the Company to be legally permissible to Buy-Back the equity shares of the Company, and to distribute the surplus cash available in its accounts. While considering insertion/ amendment of the clause pertaining to the Buy-Back the Board of Directors, after taking into consideration the implementation of the Companies Act, 2013 (“Act”) formed an opinion that it would be in the best interest of the Company to adopt new set of Articles of Association to be in line with the new Act.

It is therefore proposed to adopt a new set of Articles of Association in line with Table F of the Companies Act, 2013.

The proposed new set of Article of Association would be available for inspection at the Registered and Administrative office of the Company on all working days between 11:00 hrs. to 13.00 hrs. upto the date of declaration the result of Postal Ballot. The said Articles of Association are also available on the web site of the Company [www.mangalamorganics.com](http://www.mangalamorganics.com) Any shareholders wanting to have a hard copy of the new set of Articles of Association may write to the Company at its registered or administrative office address.

The Board recommends the adoption of the new set of Articles of Association.

None of the Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company. The Board of Directors recommend the resolution for your approval.

**Item No. 2**

As per the Section 102 read with Section 68 and other applicable provisions, if any, of the Companies Act, 2013 and Buyback Regulations, the Explanatory Statement contains relevant and material information to enable the Members holding equity shares of the Company to consider and approve the SPECIAL RESOLUTION on the Buyback of the Company’s equity shares.

With an objective of rewarding Members holding Equity Shares of the Company, through return of surplus cash, the Board of Directors of the Company at its meeting held on February 02, 2018 recommended the proposal of buyback of Equity Shares as contained in the resolution(s) in the Notice.

Requisite details relating to the Buyback are given below:

**(a) Date of Board meeting at which the proposal for Buyback was recommended by the Board of Directors of the Company:**  
February 02, 2018

**(b) Necessity for the Buyback**

- (i) The Buyback will help the Company to distribute surplus cash to its Members holding Equity Shares, except the Promoter and Promoters’ Group, broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;
- (ii) The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as ‘small shareholder’;
- (iii) The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- (iv) The Buyback gives an option to the Members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose not to participate and enjoy the likely resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

**(c) Maximum amount required under the Buyback, its percentage of the total paid up capital and free reserves and sources of funds from which the Buyback would be financed**

The maximum amount required under the Buyback considering the Buyback Size shall be up to Rs. Rs.14,03,00,000/- (Rupees Fourteen Crores Three Lakh Only) (which is within 25% of the total paid-up equity capital and free reserves as per the latest audited accounts of the Company for the nine months ended December 31, 2017) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.

Buyback may be made out of the Company’s securities premium account, free reserves and /or such other sources as may be permitted by the Buyback Regulations, the Companies Act and other applicable laws. The Company shall transfer a sum equal to the nominal value of the Equity Shares proposed to be bought back in the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet and Annual Report(s).

The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the Paid-up equity share capital and free reserves after the Buyback.

**(d) Buyback Offer Price and the basis of arriving at the Buyback Price**

The Equity Shares are proposed to be bought back at a price of Rs. 230/- (Rupees Two Hundred and Thirty Only) per Equity Share. The Buyback Price has been arrived at after considering various factors, including the average closing prices of the Equity Shares of the Company on BSE Limited ('BSE') (referred to as the 'Stock Exchanges') where the Equity Shares are listed, the net worth of the Company and the likely impact of the Buyback on the earnings per Equity Share.

The Buyback price of Rs. 230/- (Rupees Two Hundred and Thirty Only) per equity share represents:

- i) a premium of approx. 35.14% over the closing price on the BSE on January 19, 2018, being the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buy-back.
- ii) a premium of approx. 52.60% over the weighted average price of the Equity Shares on the BSE for 3 months preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buy-back.
- iii) a premium of approx. 30.41% over the weighted average price of the Equity Shares on the BSE for 2 weeks preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buy-back.

This special resolution seeks approval of the members of the Company to approve the Buyback Offer Price within the aforesaid limits as determined and proposed by the Board of Directors of the Company.

**(e) Maximum Number of shares that the Company proposes to Buyback**

The Board of directors of the Company has decided the Buyback price of Rs. 230/- (Rupees Two Hundred and Thirty Only) per Equity Share and after considering the Buyback Size of Rs. 14,03,00,000/- (Rupees Fourteen Crores Three Lakh Only), the maximum number of Equity Shares that can be bought back would be 6,10,000 (Six Lakh Ten Thousand only) Fully Paid up Equity Shares of face value of Rs. 10/- each, representing approximately 6.74% of the total Paid up equity share capital of the Company.

**(f) Time limit for completing the Buyback**

The Buyback is proposed to be completed within 12 months of the date of Special Resolution approving the proposed Buyback.

**(g) Compliance with Section 68(2)(c) of the Act**

The aggregate Paid-up equity share capital and free reserves as at December 31, 2017 is Rs. 57,67,77,153 (Rupees Fifty Seven Crores Sixty Seven Lakh Seventy Seven Thousand One Hundred and Fifty Three Only). Under the provisions of the Companies Act, 2013, the funds deployed for the Buyback cannot exceed 25% of the total Paid-up equity capital and free reserves of the Company i.e. Rs. 14,41,94,288.25 (Rupees Fourteen Crores Forty One Lakh Ninety Four Thousand Two Hundred Eighty Eight and Paise Twenty Five Only). The maximum Buyback Size, i.e. Rs.14,03,00,000/- (Rupees Fourteen Crores Three Lakh Only), is therefore within the limit of 25% of the Company's total Paid-up equity capital and free reserves as per the latest audited accounts of the Company as on December 31, 2017.

Further, under the Companies Act, 2013, the number of equity shares that can be bought back in any Financial Year cannot exceed 25% of the total Paid-up equity capital of the Company in that Financial Year. At the Buyback offer price of Rs. 230/- (Rupees Two Hundred Thirty Only) per Equity Share and for the Maximum Buyback Size of Rs. 14,03,00,000/- (Rupees Fourteen Crores Three Lakh Only), the maximum number of Equity Shares that can be bought back would be 6,10,000 (Six Lakh Ten Thousand only) Fully Paid up Equity Shares of face value of Rs. 10/- each, representing approximately 6.74% of the total Paid up equity share capital of the Company. Accordingly, the proposed Buyback will be within the limit of 25% of the total Paid up equity share capital of the Company for the Financial Year ended March 31, 2017.

**(h) Method to be adopted for the Buyback**

The Buyback shall be on a proportionate basis from all the Members holding Equity Shares of the Company through the "Tender Offer" route, as prescribed under the Buyback Regulations. The Buyback will be implemented in accordance with the Companies Act and the Share Capital Rules to the extent, applicable and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a Record Date for determining the names of the Members holding Equity Shares of the Company who will be eligible to participate in the Buyback. In due course, each shareholder, as on the Record Date, will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback.

The Equity Shares to be bought back as a part of the buyback is divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) General category for all other shareholders.

As defined in the Buyback Regulations, a 'small shareholder' is a shareholder who holds Equity Shares of the Company having market value, on the basis of closing price of shares, on the recognised stock exchange in which highest trading volume in respect of such Equity Shares as on Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only).

In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes



to buyback or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as 'small shareholder'.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate and enjoy the likely resultant increase in their percentage shareholding, post Buyback, without additional investment. Members holding Equity Shares of the Company may also offer/accept a part of their entitlement. Members also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non- participation of some other shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and other relevant rules and regulations.

Subject to shareholders' approval hereunder, detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Members holding Equity Shares of the Company as on the Record Date.

The Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

**(i) The aggregate shareholding of the Promoter and Promoters' Group and persons acting in concert of the Company as on the date of this Notice is as under:**

(1) Shareholding of the Promoter and Promoters' Group and of Persons who are in control of the Company:

Sr. No.	Name	Equity Shares	% of shareholding
i.	Kamalkumar Dujodwala*	1,000	0.01
ii.	Pannkaj Dujodwala HUF	1,72,432	1.90
iii.	Ramgopal kamalkumar HUF	1,56,216	1.73
iv.	Manisha Dujodwala	8,53,250	9.43
v.	Vasudha Dujodwala	1,31,300	1.45
vi.	Alka Dujodwala	5,78,790	6.39
vii.	Akshay Dujodwala	3,51,374	3.88
Vii.	Dujodwala Exports Pvt. Ltd.	1,72,432	1.90
ix.	Indo Euro Securities Ltd.	18,29,417	20.21
<b>TOTAL</b>		<b>42,46,211</b>	<b>46.91</b>

(\*)Mr. Kamalkumar Dujodwala is the promoter of the company and others as listed above form part of the Promoters Group and of Persons who are in control of the Company.

(2) None of the Directors or Key Managerial personnel of the Company hold any Equity Shares in the Company except the following:

Sr. No.	Name	Designation	Equity Shares	% of shareholding
i.	Kamalkumar Dujodwala	Chairman	1,000	0.01
<b>TOTAL</b>			<b>1,000</b>	<b>0.01</b>

**(j) There were no transactions either purchase / sale / transfer of shares undertaken by the Promoter and Promoters' Group referred to in (i) above during the period of last six months preceding the date of the Board Meeting (at which the Buyback was approved) and from the date of Board meeting till the date of this Notice.**

**(k) Intention of the Promoters of the Company to tender equity shares for Buyback indicating the number of shares, details of acquisition with dates and price:**

In terms of the SEBI Buyback Regulations, under the Tender Offer route, the Promoter and Promoters' Group of the company have the option to participate in the Buyback. **The Promoter and Promoters' Group of the Company do not intend to**

participate and tender their equity shares in the Buy-Back offer.

**(l) No defaults:**

The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

**(m) Confirmation that the Board of Directors have made full enquiry into the affairs and prospects of the Company and that they have formed the opinion to the effect that the Company, after Buyback will continue to be able to meet its liabilities and will not be rendered insolvent as follows:**

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- (i) That immediately following the date of the Board Meeting held on February 02, 2018 and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- (ii) That as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared, having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be; and
- (iii) In forming its opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the applicable provisions of the Companies Act, 2013

**(n) Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency:**

The text of the Report dated February 02, 2018 received from M/s. NGST & Associates, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

**Quote**

To

The Board of Directors

**Mangalam Organics Limited**

812 Tulsiani Chambers

212 Nariman Point

Mumbai – 400021, India

**Statutory Auditor's Report in respect of proposed buy-back of equity shares by Mangalam Organics Limited ("the Company") in terms of clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("Buy Back Regulations").**

1. This report is issued in accordance with our status as Statutory Auditors of the Company. The Board of Directors of the Company have recommended a proposal for buy-back of Equity Shares by the Company at its meeting held on 2<sup>nd</sup> February, 2018, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and the Buyback Regulations.
2. The accompanying Statement of permissible capital payment (including premium) ('Annexure A') as at December 31, 2017 (hereinafter referred together as the "Statement") is prepared by the management, which we have initialed for identification purposes only.

**Management's Responsibility for the Statement**

3. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

4. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance:
  - (i) whether we have inquired into the state of affairs of the Company in relation to its latest audited standalone financial statements as at and for the nine months ended 31<sup>st</sup> December, 2017;

- (ii) if the amount of the permissible capital payment for the proposed buy-back of equity shares is properly determined considering the audited standalone financial statements for the nine months ended 31<sup>st</sup> December, 2017; and
  - (iii) if the Board of Directors in their meeting dated February 02, 2018, have formed the opinion as specified in clause (x) of Schedule II to the SEBI Buyback Regulations, as amended on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.
5. The standalone financial statements referred to in paragraph 4 above, have been audited by us, on which we issued an unmodified audit opinion, vide our report dated February 02, 2018. Our audit of these financial statements was conducted in accordance with the Standards of Auditing (“Standards”) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (“ICAI”). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.
  6. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Report and Certificates for special purposes issued by the ICAI (“Guidance Note”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements
  8. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

#### **Opinion**

9. Based on enquiries conducted and our examination as above, we report as follows:
  - (i) We have enquired into the state of affairs of the Company in relation to its audited Standalone Financial Statements as at and for the nine months ended 31<sup>st</sup> December, 2017 which has been approved by the Board of Directors of the Company on February 02, 2018.
  - (ii) The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the statement attached herewith, is properly determined in our view in accordance with section 68 (2) (c) of the Act. The amounts of Share capital and free reserves have been extracted from the audited standalone financial statements of the company as at and for the nine months ended 31<sup>st</sup> December, 2017.
  - (iii) The Board of Directors in their meeting held on February 02, 2018 have formed their opinion, as specified under Clause (x) of Part A of Schedule II of the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
10. We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

#### **Restriction on use**

11. This report has been issued at the request of the Company solely for use of the Company;
  - (i) In connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the Buyback Regulations,
  - (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with
    - a. the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and
    - b. the Central Depository Services (India) Limited, National Securities Depository Limited and
12. for providing to the managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

#### **For NGST & Associates**

Chartered Accountants  
(FRN: 135159W)

#### **Bhupendra Gandhi**

**Partner**

Membership No.: 122296

**Annexure A**

Particulars	Amount (Rs.)
Paid up equity share capital as on 31st December, 2017 (90,52,680 equity shares of face value Rs. 10 each) (A)	9,05,26,800
Free reserves as on 31st December, 2017 (B)	
1. Securities Premium account	8,09,96,677
2. General Reserves	1,49,91,838
3. Profit & Loss account	39,02,61,838
<b>Total (A and B)</b>	<b>57,67,77,153</b>
Maximum amount permissible under the Act/ Buyback Regulations subject to Shareholders' approval:	
25% of the total Paid up equity share capital and Free reserves, if the buyback is carried through tender offer route (in accordance with the Chapter III of the Buyback Regulations and Section 68(2) (c) of the Act)	14,41,94,288.25
Maximum amount permitted through Board Resolution dated February 02, 2018 recommending the Buyback, subject to shareholders' approval, based on the audited accounts for the nine months ended 31st December, 2017	<b>14,03,00,000.00</b>

**Unquote**

**(o) Confirmation from Company as per the provisions of the Buyback Regulations and the Companies Act, 2013:**

- i. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback;
- ii. All the Equity Shares for Buyback are fully paid-up;
- iii. The Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations;
- iv. The Special Resolution approving the Buyback will be valid for a maximum period of one year from the date of passing the said special resolution (or such extended period as may be permitted under the Companies Act or the Buyback Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the duly constituted Buyback Committee within the above time limits;
- v. The equity shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
- vi. The Company shall not withdraw the Buyback after the public announcement of the offer to Buyback is made; and
- vii. The Company shall not buyback locked-in equity shares and non-transferable equity shares till the pendency of the lock-in or till the equity shares become transferable.
- viii. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet;

**(p) For any clarifications related to the Buyback process, Members holding equity shares of the Company at the following:**

**Mangalam Organics Limited**

Contact Person: Mr. Ankur Gala

Company Secretary and Compliance Officer

Tel: +91 22 4920 4089

Email: [info@mangalamorganics.com](mailto:info@mangalamorganics.com)

By Order of the Board of Directors  
For **Mangalam Organics Limited**