

# **ANNUAL REPORT**

**2018-19**

Going Green  
with Solar...



<b>Directors</b>	:	Arun Duggal, Independent Director and Chairman N. Suresh Krishnan, Managing Director Akshay Poddar, Director Sunil Sethy, Director D. A. Prasanna, Independent Director Rita Menon, Independent Director Dipankar Chatterji, Independent Director K. Prabhakar Rao, Director-Works
<b>Company Secretary</b>	:	Vijayamahantesh Khannur
<b>Chief Financial Officer</b>	:	T. M. Muralidharan
<b>Bankers</b>	:	Axis Bank Limited State Bank of India Corporation Bank Kotak Mahindra Bank Limited RBL Bank Limited IndusInd Bank Limited IDFC Bank Limited ICICI Bank Limited Cooperative Rabobank UA
<b>Statutory Auditors</b>	:	S.R. Batliboi & Co. LLP,
<b>Cost Auditor</b>	:	P. R. Tantri, Bengaluru
<b>Secretarial Auditor</b>	:	S. Kedarnath, Bengaluru
<b>Registered Office</b>	:	Level 11, UB Tower, UB City No. 24, Vittal Mallya Road Bengaluru – 560 001 Tel. No. 080-4585 5599 Fax No. 080-4585 5588 email : shares.mcf@adventz.com Website : www.mangalorechemicals.com CIN : L24123KA1966PLC002036
<b>Works</b>	:	Panambur, Mangaluru – 575 010 Tel. No. 0824-2220 600 Fax No. 0824-2407 938
<b>Share Transfer Agent</b>	:	Cameo Corporate Services Limited Subramanian Building No.1, Club House Road, Chennai – 600 002 Tel.No.044-2846 0395, Fax No.044-2846 0129 e-mail: investor@cameoindia.com

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## NOTICE

To  
The Members,

Notice is hereby given that the Fifty Second (52<sup>nd</sup>) Annual General Meeting of the Members of the Company will be held on **Tuesday, August 27, 2019 at 12.00 noon at Conference Hall, 1<sup>st</sup> Floor, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001** to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Statutory Auditors.
2. To declare dividend on the equity shares for the financial year 2018-19.
3. To re-appoint Mr. Sunil Sethy (DIN: 00244104), who retires by rotation, and being eligible, offers himself for the re-appointment.

### SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Mr. Dipankar Chatterji (DIN: 00031256)**, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for appointment as Director, be and is hereby appointed as an Independent Director of the Company for a period of three (3) years with effect from May 14, 2019 to May 13, 2022, not liable to retire by rotation.

5. 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, 198 and other applicable provisions, if any, of the Companies Act, 2013, Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the approval of the members be and is hereby accorded for payment of remuneration by way of commission to Directors (whether existing or future) other than the Managing/Whole-time Directors, collectively up to 1% of the net profits computed in the manner referred to in Section 198 of the Companies Act, 2013, for each financial year over a period of 3 (three) financial years ending on or after March 31, 2020, in such proportion/manner as may be determined by the Board of Directors of the Company, subject to a maximum of Rs. 5,00,000/- (Rupees Five lakhs only) per annum per Director, payable at such periodicity as the Board may deem fit.

RESOLVED FURTHER THAT such remuneration paid to its Directors (whether existing or future) other than the Managing/Whole-time Directors will be in addition to the payment of sitting fees and reimbursement of expenses, if any, to the Directors for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the Board of Directors, or the duly constituted Committee of the Board, or the Managing Director, or the Chief Financial Officer and the Company Secretary (jointly) be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary including seeking of all approvals, if any, to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.

6. 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 the Section 148 of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of Rs.1,50,000/- (Rupees One lakh fifty thousand only) exclusive of applicable tax and other statutory levies, if any, and reimbursement of actual expenses incurred on travel, accommodation and other out-of-pocket expenses to Mr. P. R. Tantri, Cost Accountant (Membership Number 2403), for conducting audit of cost records of the Company for the Financial Year 2019-20, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors is authorized to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.

By the order of the Board

Bengaluru  
July 01, 2019

**Vijayamahantesh Khannur**  
Company Secretary



## NOTES

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy in prescribed form, in order to be effective should be duly completed, signed and must be sent to the Company so as to reach at the registered office of the Company at least 48 hours before the commencement of the meeting. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total paid-up share capital of the Company. Members holding more than ten percent of the total paid up share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.
3. The Register of Members and Share Transfer Books will remain closed from August 21, 2019 to August 27, 2019 (both days inclusive) for the purpose of determination of members who are entitled to receive the dividend for the financial year 2018-19, if declared.
4. All relevant documents referred to in the Notice and the statements/reports annexed to Notice shall be open for inspection by Members at the Registered Office of the Company during normal business hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) up to the date of the Annual General Meeting.
5. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the dividend amount remaining unclaimed/unpaid for a period of seven years from the due date of payment shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Pursuant to the provisions of Section 124(6) and Section 125 of the Companies Act, 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF within 30 days of they becoming due to be transferred.

Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay.

IT MAY BE NOTED THAT THE UNCLAIMED DIVIDEND PERTAINING TO THE FINANCIAL YEAR 2011-12 IS DUE FOR TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND AND THE SAME CAN BE CLAIMED FROM THE COMPANY ON OR BEFORE OCTOBER 30, 2019.

6. Electronic copy of the Notice of the 52<sup>nd</sup> 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 to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 52<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
7. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members the facility to exercise their right to vote at the 52<sup>nd</sup> Annual General Meeting by way of remote e-voting i.e casting votes by a member using an electronic voting system from a place other than venue of a general meeting, and the business may be transacted through e-voting services provided by Central Depositories Services (India) Limited. The ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be entitled to cast their vote at the meeting. Members who have casted their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the meeting.

The Company has appointed Mr. Sudhir Hulyalkar, Practicing Company Secretary (Membership No. FCS 6040 and CP No. 6137), who is willing to be appointed and, in the opinion of the Board, is a duly qualified person and can scrutinize the voting and remote e-voting process in a fair and transparent manner, as a Scrutinizer. After the conclusion of the voting at the meeting, the Scrutinizer shall count votes casted at the meeting and through remote e-voting and provide a consolidated Scrutinizer's report of the total votes casted, within a period of three days from the date of conclusion of the meeting, to the Chairman or to the person authorized by the Chairman who shall countersign the same. The Chairman or the person authorized by the Chairman shall declare the result of the voting forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.mangalorechemicals.com](http://www.mangalorechemicals.com) and on the website of CDSL – [www.cdslindia.com](http://www.cdslindia.com) and communicated to the Stock Exchanges.

**The instructions for shareholders voting electronically are as under:**

- i. The remote e-voting period begins at 9.00 AM on August 24, 2019 and ends at 5.00 PM on August 26, 2019. The facility for remote e-voting shall forthwith be blocked at the end of the period of remote e-voting.
- ii. The cut-off date for determining the eligibility to vote by electronic means or in the general meeting shall be August 20, 2019. Members who are holding shares on cut-off date are only eligible for remote e-voting and attending Annual General Meeting.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iv. Click on "Shareholders" tab.
- v. Now Enter your Login ID.
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 digit client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. 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.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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 last 8 digits of the sequence number in the PAN field.</li> <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 Ram with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login.  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 (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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 to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN of Mangalore Chemicals & Fertilizers Limited to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the password then enter the Login ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non-Individual Shareholders & Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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 they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. 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. Please follow the instructions as prompted by the mobile app by voting on your mobile.
- xxi. 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).
8. Members / proxy holders are requested to produce the enclosed attendance slip duly completed and signed at the entrance of the meeting venue.
9. 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 Annual General Meeting.
10. The Register of Contracts, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
11. Members should address all correspondence to the Company's Registrar and Share Transfer Agent at the following address quoting their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID Number.
- Cameo Corporate Services Limited  
Subramanian Building, No.1, Club House Road, Chennai-600 002  
Phone: 91-44-2846 0395 Fax : 91-44-2846 0129  
E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)
12. The equity shares of the Company are mandated by Securities and Exchange Board of India for compulsory trading in demat form by all investors. The Company's shares have been admitted into both the depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL]. The ISIN allotted to the Company's equity shares is INE558B01017.
13. Members holding shares in physical form are requested to notify any change in their addresses, mandates/bank details immediately to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Chennai.
14. With effect from April 01, 2019, except in the case of transmission or transposition of securities, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a Depository. Hence, the members holding shares in physical form are requested to dematerialize their physical shares into electronic form by sending demat request to their concerned Depository Participants.
15. Members holding shares in electronic mode are requested to intimate all changes pertaining to their bank details to their Depository Participants in order to arrange the dividend payment by NECS/ECS or through warrant by printing the bank details, as the case may be.

#### **EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

#### **Item No. 4**

The Nomination & Remuneration Committee, at its meeting held on May 14, 2019, has recommended appointment of Mr. Dipankar Chatterji as Director for a period of 3 (three) years from May 14, 2019 to May 13, 2022. Based on the recommendation, the Board of Directors at its meeting held on May 14, 2019 appointed Mr. Dipankar Chatterji as an Additional Director of the Company in the category of Independent Directors and his tenure expires at this Annual General Meeting. A notice has been received in writing by a member under Section 160 of the Companies Act, 2013 proposing appointment of Mr. Dipankar Chatterji as an Independent Director of the Company at this Annual General Meeting for a period of 3 (three) years with effect from May 14, 2019 to May 13, 2022.

Mr. Dipankar Chatterji is interested in the Resolution set out at Item No. 4 of the Notice in regard to his appointment. The relatives of Mr. Dipankar Chatterji may be deemed to be interested in the Resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment. The Board accordingly places the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members.



## Item No. 5

The Non-executive Directors are paid sitting fees for attending the Board and Committee meetings and reimbursement of expenses incurred for attending the meetings of the Board or its Committees. With the constitution of various Committees of the Board, the increasing demand for the independent and professional Directors on various matters relating to the Company and the ever changing regulatory environment, it is advisable to appropriately compensate, attract and retain professionals on the Board. In order to remunerate the Non-executive Directors (whether existing or future) for rendering their services to the Company, it is proposed to pay remuneration by way of commission to the Directors (whether existing or future) other than the Managing/Whole-time Directors, collectively up to 1% of the net profits computed in the manner referred to in Section 198 of the Companies Act, 2013, for each financial year over a period of 3 (three) financial years ending on or after March 31, 2020, in such proportion/ manner as may be determined by the Board of Directors of the Company, subject to a maximum of Rs. 5,00,000/- (Rupees Five lakhS only) per annum per Director, payable at such periodicity as the Board may deem fit. The above remuneration will be in addition to the sitting fees and reimbursement of expenses, if any, for attending the meetings of the Board of Directors or Committees thereof. The Nomination & Remuneration Committee and the Board of Directors at their meetings held on May 14, 2019 have considered and recommended payment of above remuneration subject to approval of the shareholders.

Accordingly, approval of the shareholders is sought by way of an Ordinary Resolution for payment of remuneration by way of commission to the Directors of the Company other than the Managing/Whole-time Directors. The Board recommends the Ordinary Resolution set out under Item No. 5 of the Notice for approval by the members.

The Managing Director, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice. Directors other than the Managing/Whole-time Directors of the Company and their relatives may be deemed to be concerned or interested in the Resolution set out at Item No. 5 of the Notice to the extent of their shareholding interest, if any, in the Company.

## Item No. 6

In accordance with the provisions of Section 148 of the Companies Act, 2013, and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has approved the appointment of Mr. P R Tantri, Cost Accountant (Membership Number 2403), as Cost Auditor of the Company for the financial year 2019-20 on a remuneration of Rs.1,50,000/- (Rupees One lakh fifty thousand only) exclusive of applicable tax and other statutory levies, if any, and reimbursement of actual expenses incurred on travel, accommodation and other out-of-pocket expenses.

Accordingly, consent of members is sought by an Ordinary Resolution for the remuneration payable to the Cost Auditor for the financial year 2019-20.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

## Additional information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Details of the Directors seeking appointment/reappointment.

Name of the Director	Dipankar Chatterji	Sunil Sethy
Date of Birth	August 23, 1948	March 27, 1951
Qualification	Fellow Member of the Institute of Chartered Accountants of India	Fellow Member of the Institute of Chartered Accountants of India
Inter-se relationship with Directors of the Company	None	None
Expertise in Functional area	Mr. Dipankar Chatterji is a Chartered Accountant by profession and is a senior partner in L B Jha & Co., Chartered Accountants, who are engaged in Consultancy, Audit and Assurance, or Tax and other Compliance Services. He has held directorship of four nationalised banks, a public sector mutual fund, an associate company of State Bank of India, has been nominated on the boards of various companies by Banks / Financial Institutions. He is Vice-President of one of the top 10 B Schools in the country. He was appointed by RBI as a member of the Padmanabhan Committee set up to review RBI's supervision over Banks. He was a member of the Central Council of the Institute of Chartered Accountants of India and Chairman of the Auditing Practices Committee of the Institute of Chartered Accountants of India.	He is a Finance professional having 40 years of experience in different companies out of which 29 years in Finance discipline and 11 years as MD / CEO. He was holding the position as Vice Chairman & MD in Binani Industries Ltd, Finance Head / MD in Chambal Fertilizers & Chemicals Ltd, Director (Finance) in Eternit Everest Ltd, Controller of Finance in PSI Data Systems Ltd. He was director in Simon India Limited. He has held important positions in many other companies.

Name of the Director	Dipankar Chatterji		Sunil Sethy	
	He has been President (Eastern Region) of the Indo-American Chamber of Commerce, Chairman (Eastern Region) of Confederation of Indian Industry, member of National Council of C.I.I, member of National Advisory Committee on Accounting Standards (NACAS) constituted by Ministry of Corporate Affairs, Govt. of India.			
Directorships in other Public Companies	Director in TRF Limited, Bengal Peerless Housing Development Company Ltd, Peerless Financial Services Ltd, West Bengal Industrial Development Corpn. Ltd., Neotia Healthcare Initiative Limited, Hindusthan National Glass & Industries Limited, The Peerless General Finance & Investment Co Ltd.		Director in Zuari Infracore India Ltd and Managing Director in Paradeep Phosphates Limited and Zuari Agro Chemicals Limited.	
Membership / Chairmanship in other Public Companies	Chairman	Member	Chairman	Member
Audit Committee	4	2	1	Nil
Stakeholders' Relationship Committee	Nil	1	Nil	Nil
Shareholding in the Company	Nil		Nil	

Bengaluru  
July 01, 2019

By the order of the Board

**Vijayamahantesh Khannur**  
Company Secretary

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