



**42<sup>nd</sup> Annual Report 2014 - 2015**

**MANGALAM DRUGS & ORGANICS LIMITED**  
**(AN ISO 9001 & WHO - GMP COMPANY)**





## BOARD OF DIRECTORS

GOVARDHAN M. DHOOT - CHAIRMAN

SUBHASH C. KHATTAR - INDEPENDENT DIRECTOR

RAJENDRAPRASAD MIMANI - INDEPENDENT DIRECTOR (Resigned w.e.f. 02.02.2015)

MEENAL SUKHANI - DIRECTOR (Appointed w.e.f. 21.10.2014)

BRIJMOHAN M. DHOOT - INDEPENDENT DIRECTOR (Appointed w.e.f. 02.05.2015)

## REGISTERED OFFICE

RUPAM BUILDING, 3<sup>RD</sup> FLOOR,  
239 P.D'MELLO ROAD,  
NEAR GPO, MUMBAI - 400 001  
TEL. No. 91-22-22616200 / 6300/8787  
FAX No. 91-22-2619090  
Email : contactus@mangalamdrugs.com  
Website : <http://www.mangalamdrugs.com>

## WORKS

### VAPI - UNIT 1

PLOT NO. 187, GIDC  
VAPI, DIST. BULSAR  
GUJARAT - 396 195

### VAPI - UNIT 2

PLOT NO. 1203, GIDC,  
VAPI, DIST. BULSAR,  
GUJARAT - 396 195

## AUDITORS

M/S. MILWANI ASSOCIATES  
CHARTERED ACCOUNTANTS  
BAGARIA HOUSE, 1ST FLOOR,  
KOLBHAT LANE, MUMBAI - 400 002

## BANKERS

STATE BANK OF INDIA

IDBI BANK LTD

PUNJAB AND MAHARASHTRA CO-OP. BANK LTD.

## CONTENTS

Board of Directors.....	1
Notice .....	2
Directors' Report .....	12
Report on Corporate Governance .....	25
Management Discussion and Analysis .....	26
Secretarial Audir Report .....	32
Auditor's Report .....	33
Balance Sheet .....	36
Profit and Loss Account .....	37
Cash Flow Statement .....	38
Notes .....	39



## NOTICE

**NOTICE** is hereby given that the Forty-Second Annual General Meeting of the Members of **Mangalam Drugs & Organics Limited** will be held at the M.C. GHIA HALL, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Bldg., 4<sup>th</sup> Flr., 18/20 K.Dubash Marg, Kala Ghoda, Mumbai – 400 001, on 03 September, 2015 at 11.30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and Statement of Profit and Loss Account for the year ended as on that date and the Reports of the Board of Directors' and the Auditors' of the Company thereon.
2. To appoint a Director in place of Mr. Govardhan Murlidhar Dhoot (DIN: 01240086) who retires from office by rotation and being eligible, offers himself for re-appointment.
3. 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, pursuant to recommendations of the audit committee of Board of Directors and pursuant to the resolutions passed by the members at the AGM held on 29<sup>th</sup> September, 2014, the appointment of M/s. Milwani Associates, Chartered Accountants, Mumbai, (Firm Registration No. 106405W) as the Statutory Auditors of the Company, to hold office till the conclusion of the Annual General Meeting to be held for the financial year 2016-2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit for the financial year ending 31<sup>st</sup> March, 2016 as may be approved by the Audit Committee / Board of Directors of the Company.”

### 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 148 and any other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and the Rules made thereunder, as amended from time to time, the Company hereby ratifies remuneration of Rs. 100,000/- (Rupees One Lac only) plus service tax, as applicable and reimbursement of out-of-pocket expenses payable to M/s. Ankit Kishor Chande, who were appointed by the Board of Directors as Cost Auditors of the Company for the financial year 2015-16, to conduct Cost Audit relating to “Bulk Drugs” businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (**“Act”**) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mrs.Meenal Sukhani (DIN: 06840007), who was appointed as an Additional Director – Non-executive of the Company by the Board of Directors with effect from 21<sup>st</sup> October, 2014 and subsequently she was appointed as an Independent director on 2<sup>nd</sup> May, 2015, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a Notice, in writing, from a Member under Section 160 of the Act, proposing her candidature for the office and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold the office for a period of 5 years from 02 May 2015 till 01 May 2020.”

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

**“RESOLVED THAT** Mr. Brijmohan M. Dhoot (DIN: 01046420) who was appointed by the Board of Directors as Additional Director of the Company, with effect from May 02, 2015 and who holds office upto the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 (**“Act”**) and 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 the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies ( Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any required, the Company hereby approves the re-appointment of Mr. Govardhan M Dhoot (DIN 01240086) at a remuneration as Chairman & Managing Director of the Company for a term of five years starting from 01 November 2014 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty and power to the Board of Directors (hereinafter referred to as ‘the Board’ which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”



**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

8. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED that** pursuant to the provisions of Section 13 sub-section (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each, by creation of additional 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each ranking pari passu in all respect with the existing Equity Shares.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder the consent of the Members be and is hereby accorded for consequential substitution of Capital Clause V of the Memorandum of Association and Capital Clause 5 (a) of the Articles of Association of the Company to reflect the increased authorized capital: -

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Companies Act”) (including any statutory modification(s) or reenactment thereof for the time being in force), and any other applicable provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd., where the Company’s Equity Shares are listed, Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (“SEBI”) (Issue of Capital & Disclosure Requirements) Regulations, 2009 and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as may be modified or re-enacted from time to time (hereinafter referred as “SEBI Regulations”) the applicable Rules, Notifications, Regulations issued by the Government of India, SEBI and subject to the approvals, consents, permissions and/or sanctions of the stock exchanges where the shares of the Company are listed (“Stock Exchanges”), SEBI, the Registrar of Companies (the “RoC”) or all concerned statutory and other authorities as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions, the Board of Directors of the Company (hereinafter referred to as “the Board”), which term shall be deemed to include any Committee of the Directors for the time being, exercising the power conferred to the Board, be and is hereby authorized on behalf of the Company to create, offer, issue and allot in one or more tranches upto 26,50,000 Warrants of Rs. 65/- each with an option to convert each warrant into one Equity Share of the nominal value of Rs. 10/- each at a issue price of Rs. 65/- (including premium of Rs. 55/-) determined in accordance with SEBI ICDR Regulations; on terms and conditions mentioned hereinafter in this resolution to Shri JB Pharma LLP (“Entity under Promoter Group”), with an option to the proposed allottee to convert the same into Equity Shares of the Company in one or more tranches, not later than 18 months from the date of their allotment in accordance with the SEBI Regulations or other provisions of the law as may be prevailing at the time of allotment of Equity Shares / exercise of warrants:

**“RESOLVED FURTHER THAT** the Warrants shall be issued by the Company on Preferential basis on the following terms and conditions:

- i. The Warrants shall be convertible (at the option of warrant holders) at any time within a period of 18 (Eighteen) months from the date of allotment of Warrants.
- ii. Each warrant shall be convertible into one Equity Share of nominal value of Rs. 10/- (Rupees Ten only) each at a issue price of Rs. 65/- (including premium of Rs. 55/-) determined in accordance with SEBI ICDR Regulations.
- iii. The warrant holders are, on the date of allotment of Warrants, required to pay an amount equivalent to at least 25% (Twenty Five percent) of the total consideration per warrant.
- iv. The conversion of Warrants into Equity Shares shall be made in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of Warrants, as per the option exercised by the Warrant holders.
- v. The amount referred in point (iii) above shall be forfeited, if the option to take Equity Shares against any of the warrants held by the warrant holder is not exercised within a period of 18 (Eighteen) months from the date of allotment of Warrants.
- vi. The lock in period of Warrants and Equity Shares acquired by exercise of Warrants shall be in accordance with the SEBI Regulations.
- vii. Warrants by itself do not give to the proposed allottee any rights of the Equity Shareholders of the Company unless converted into Equity Shares of the Company.
- viii. The resultant Equity Shares will be subject to Memorandum and Articles of Association of the Company in all respects.

**“RESOLVED FURTHER THAT** the Relevant Date for the purpose of calculating the minimum price for the warrants under Chapter VII of relevant SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 will be 04 August , 2015 being the date 30 days prior to the date of passing of this Resolution to approve the proposed preferential issue in terms of Section 62(1)(c) of the Act”.

**“RESOLVED FURTHER THAT** the Equity Shares, if allotted on the conversion of warrants, shall rank pari passu in all respects with the existing Equity Shares of the Company with a right to receive dividend and other distributions to be declared thereafter during the year.”



“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors / Committee thereof be and is hereby authorised, on behalf of the Company, to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid warrants and Equity Shares if allotted upon exercise of rights(s) attached to such warrants and to list such Equity Shares with the Stock Exchange(s), as may be appropriate, and to resolve and settle all question(s) or difficult(ies) or doubt(s) that may arise in connection with the proposed offer, issue and allotment of any of the said warrants and / or the Equity Shares if allotted upon exercise of option(s) attached to such warrants and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may, in its absolute discretion, deem fit, without being required to seek 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.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate any or all the powers conferred upon it by this Resolution, to any Committee formed thereof, or to any individual so authorized by the Board.”

By order of the Board of Directors  
**Govardhan M. Dhoot**  
Chairman

**Registered Office:**

3rd Floor, Rupam Building,  
239, P. D'Mello Road Mumbai – 400001  
**CIN: L24230MH1972PLC116413**

Place: Mumbai

Dated: 06 August, 2015

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, 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.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item nos. 4 to 9 of the Notice set out above, is hereto annexed.
3. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 27 August 2015 to 03 September 2015 (both days inclusive) for the purpose of Annual General Meeting.
5. The Annual Report of the Company for the year 2014-2015 is also uploaded on the Company’s website [www.mangalamdrugs.com](http://www.mangalamdrugs.com) in the “Investor Relations” Section.
6. As a measure of economy, copies of the Annual Report shall not be distributed at the meeting and therefore the Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
8. The Company has appointed **M/s. Link Intime India Private Limited , C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078**, as Share Transfer Agents and the members are requested to send/address all their shares related matters/ correspondence directly to them.
9. **Change of Address /Bank details:** Members are requested to inform **M/s. Link Intime India Private Limited**, immediately of any change in their address / bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their Email Id, signature, address, bank details and mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company’s records. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agents of the Company viz. M/s. Link Intime India Private Limited.
10. As per Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities And Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agents of the Company viz. Link Intime India Private Limited.



11. Members/Proxies should bring the admission slip duly filled in for attending the meeting.
12. The Company has transferred unclaimed application money due for refund of public issue made in the year 2005 and unclaimed dividend for the financial year 2005-06 declared on 30<sup>th</sup> September 2006 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
13. Electronic (soft) copy of the Notice of the 42nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-Voting and Assent Decent Form along with the Attendance Slip & Proxy Form and the Annual Report for 2014-2015 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of these documents are being sent in the permitted mode.
14. Details of the Directors seeking appointment / re-appointment at the 42nd Annual General Meeting required by Clause 49 II of the Listing Agreement with the Stock exchanges is given below

1.	Name	MR. GOVARDHAN DHOOT (DIN: 01240086)	Mrs. MEENAL SUKHANI (DIN: 06840007)	MR. BRIJMOHAN DHOOT (DIN: 01046420)
2.	Date of Birth	21 <sup>st</sup> October 1953	20 <sup>th</sup> August 1973	10 <sup>th</sup> July 1951
3.	Educational Qualification	Commerce Background	Arts graduate	Commerce Background
4.	Date of Appointment on the Board	16 <sup>th</sup> April 1996	21 <sup>st</sup> October, 2014	2 <sup>nd</sup> May, 2015
5.	Category of Director	Chairman & Managing Director	Independent Director	Non-Executive Non Independent Director
6.	Experience	He has been the Whole-time Director of the Company effective 1 <sup>st</sup> November 2004. He has over three decades of experience in the Chemical Industry, handling marketing in both domestic and export market. He has traveled to many countries and visited important Industrial and Commercial Capitals all over the world.	She has been teacher for more than 15 years and has worked for leading educational institution like Dhirubai Ambani International School. She is an entrepreneur and is the managing partner of Sonal Textile Agency, C&F Agent for Linen Club, Jaishree Textile, Indian Rayon for Mumbai & Pune.	He has more than 40 years experience in chemical and pharma industry.
7.	List of other Directorships held	1. Mangalam Laboratories Private Limited 2. Beanstalk Retail Private Limited	NIL	1. Mangalam Laboratories Private Limited 2. Raga Organics Private Limited 3. Elarci (Estates & Constructional) Development Services Private Limited
8.	Name of Committees in which Chairman	NIL	NIL	NIL
9.	Name of Committees in which Member	Audit Committee and Stake holders Relationship Committee of – Mangalam Drugs & Organics Limited	Audit Committee and Nomination and Remuneration Committee Committee of – Mangalam Drugs & Organics Limited	Nomination and Remuneration Committee of – Mangalam Drugs & Organics Limited
10.	Number of shares held in the Company.	667,122 equity shares.	Nil	5,64,469 equity shares
11.	Disclosure of Relationship	Mr. Govardhan Dhoot Is related to Mr. Brijmohan Dhoot of the Company	Mrs. Meenal Sukhani is not related to any Director of the Company	Mr. Brijmohan Dhoot is related to Mr. Govardhan Dhoot of the Company

BY ORDER OF THE BOARD OF DIRECTORS

**Govardhan M. Dhoot**  
Chairman

**Registered office:**

3rd Floor, Rupam Building,  
239, P. D'Mello Road Mumbai – 400001  
CIN: L24230MH1972PLC116413

Place: Mumbai

Dated: 06 August, 2015



**ANNEXURE TO NOTICE**

**Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013.**

**Item No. 4**

The Audit Committee and the Board has approved the appointment of M/s. Ankit Kishor Chande., Cost Accountants as Cost Auditors for audit of the cost accounts for the financial year 2015-16 at a remuneration of Rs.100,000/- (Rupees One Lacs only) plus service tax and out of pocket expenses reimbursement. In accordance with the provisions of Section 148 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2015-16. The Board recommends the Resolution for approval of the Shareholders as per item no. 4.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

**Item 5**

Ms. Meenal Sukhani was appointed as an Additional Director Non Executive by the Board of directors on 21 October 2014. Thereafter on 02 May 2015 Ms. Meenal Sukhani was appointed by the Board of Directors as Independent Director to hold the office for a period of 5 years from 02 May 2015 till 01 May 2020, subject to the approval of Shareholders. As per the Companies Act 2013, Independent Directors are not liable to retire by rotation. Ms. Sukhani, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, satisfies all the criteria prescribed by the Companies Act 2013 as also by the Listing Agreement for being considered as Independent Director. Company has received a Notice, in writing, from a Member under Section 160 of the Act, proposing her candidature for the office.

In the opinion of the Board, Ms. Sukhani is a person of integrity and possesses relevant expertise and experience and fulfils the conditions for appointment as an Independent Director as specified in the Companies Act 2013 Act and the Listing Agreement.

If appointed, Ms. Meenal Sukhani will act as a non-executive Independent director, not liable to retire by rotation.

Keeping in view the experience and expertise, her appointment as Independent Director of the Company is recommended.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Mrs. Meenal Sukhani is concerned or interested, financial or otherwise, in the resolution set out at item no. 5.

**Item No. 6**

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Brijmohan Dhoot (DIN: 0104642) as Additional Director-Non-Executive of the Company, with effect from 02 May, 2015. Mr. Brijmohan Dhoot holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

Pursuant to provisions of Section 161 of Companies Act, 2013, Mr. Brijmohan Dhoot will hold office upto the date of the ensuing AGM. The Company has received notice in writing under provisions of section 160 of the Companies Act, 2013 from a member along with deposit of Rs. 1,00,000/- proposing the candidature of Mr. Brijmohan Dhoot for the office of non executive non independent director to be appointed as such under provisions of section 149 of the Companies Act, 2013.

Pursuant to Section 160 of the Act, the Company has received a Notice, in writing, from a Member along with a deposit of Rs. 1,00,000/-, proposing the candidature of Mr. Brijmohan Dhoot, as a Director of the Company.

The Board is of the opinion that the vast knowledge and varied experience of Mr. Brijmohan Dhoot will be of great value to the Company and hence, recommends his appointment as a Director of the Company. The Board also informs that Mr. Brijmohan Dhoot and Mr. Govardhan Dhoot are brothers.

The appointment of Mr. Brijmohan Dhoot, as a Director liable to retire by rotation, is now being placed before the Members, for their approval.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except, Mr. Brijmohan Dhoot and Mr. Govardhan M Dhoot, Chairman is concerned or interested, financial or otherwise, in the resolution set out at item no. 6.

**Item No. 7**

At the meeting of the Board of Directors (Board) of the Company held on 31 October, 2014, the Board had duly approved by a resolution passed at its meeting, re-appointment of Shri Govardhan M. Dhoot as Managing Director of the Company for a period of five years subject to the approval of the Company in General Meeting.

1. **Terms of Appointment:** From 1st November 2014 to 31st October, 2019

2. **Remuneration:**

a) **Salary:** Rs.60,000/- per month.

3. **Perquisites / Allowance:**

In addition to salary, Mr. Govardhan Dhoot will be entitled to the following;

(a) **Housing:** The Company shall defray the maintenance expenditure of the residence of the Whole – time Director.

(b) **Medical Expenses:** Reimbursement of expenses incurred for the Whole - time Director and his family subject to a ceiling of Rs. 10,000/- p.a. or actual whichever is Lower.





- (c) **Leave travel Concession:** Company shall provide to and fro airfare to the Whole-time Director and his family for 3,000 KM in India.
- (d) **Annual Privilege Leave:** On full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites..
- (e) **Car:** A chauffer driven car for use of Company's business will be provided.
- (f) **Telephone:** A telephone at the residence will also be provided at Company's expenses. The Company will bill personal long distance calls from the house telephone.
- (g) **Personal Accident Insurance:** Premium not to exceed Rs. 8,000/- p.a. payable by the Company on behalf of the Whole Time Director. The Managing Director shall also be entitled to following perquisites, which shall not be included in the computation of the ceiling on remuneration specified herein:
- (i) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  - (ii) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.
  - (iii) Encashment of leave at the end of the tenure.
4. The other terms and conditions of the agreement are such as are customarily contained in agreements of similar nature.
5. Mr. Govardhan M. Dhoot shall be subject to retirement by rotation under Articles of Association of the company and on re-appointment as a Director immediately on retirement by rotation, shall continue to hold his office as Managing Director and such re-appointment as such director shall not be deemed to constitute a break in his appointment as Managing Director.
6. Notwithstanding anything contained hereinabove where in any financial year, during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the company shall pay the Managing Director minimum remuneration by way of salary, perquisite, dearness allowance and any other allowance subject to ceiling laid down in Schedule V to the Companies Act, 2013.
7. The aforesaid agreement to be entered into by the Company with the Managing Director can be terminated by the company or by Mr. Govardhan M. Dhoot, by giving to the other three months' notice in writing.

The said agreement to be entered including the remuneration payable to the Managing Director of the company shall be subject to the approval of the company and all such sanctions as may be necessary and shall be given effect to as per the modifications, if any, made / approved as aforesaid.

The above may also be treated as an abstract of the said agreement to be entered.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except, Mr. Govardhan M Dhoot and Mr. Brijmohan Dhoot, being his brother is concerned or interested, financially or otherwise, in the resolution set out at item no. 7.

#### Item Nos. 8

The present authorized share capital of the company is Rs. 20 Crores. It was decided that, subject to approval of the members, the Company's Authorised Share Capital may be increased from Rs. 20 crore to Rs. 30 crore.

It is, therefore proposed to alter existing Clause V of the Memorandum of Association and Clause 5(a) of Articles of Association of the Company, pursuant to Sections 13 and 14 of the Companies Act, 2013 read with Section 61(1) of the Companies Act, 2013, to give effect to the said alteration.

The Board recommends the resolutions for approval of the shareholders.

None of the directors and key managerial personnel and their relatives is concerned or interested in the above referred resolution.

#### Item No. 9:

The resolution is recommended to the shareholders of the Company for their approval pursuant to the provisions of Section 62(1)(c) and other applicable provisions of Companies Act, 2013 and in accordance with Chapter VII of SEBI ICDR Regulations relating to preferential issue as amended up to date. Company plans to make Preferential Issue of up to 26,50,000 (Twenty Six Lakh Fifty Thousand) Warrants of the Company, convertible at the sole option of the warrant holders thereof at any time, in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of Warrants, into resultant fully paid-up Equity Shares of the Company of nominal value of Rs. 10/- at issue price of 65/- (including premium of Rs. 55/-) determined in accordance with SEBI ICDR Regulations.

To part finance the capital expenditures of the Company, to strengthen the financial position of the Company, for general corporate purposes including repayment of loans and to improve the working capital and Net Worth of the Company, it is proposed to issue upto 26,50,000 (Twenty Six Lakh Fifty Thousand) Warrants to the proposed allottee namely Shri JB Pharma LLP, with an option to convert into Equity Shares, in one or more tranches, not later than 18 months from the date of their allotment in accordance with the SEBI ICDR Regulations or other provisions of the law as may be prevailing at the time of allotment of Equity Shares/ exercise of warrants. The proposed allottee have agreed to subscribe for the same.



The disclosures pursuant to Regulation 73(1) of the SEBI (ICDR) Regulations, 2009 is given hereunder:

**Objects of the Preferential Issue**

To part finance the capital expenditures of the Company, to strengthen the financial position of the Company, for general corporate purposes including repayment of loans and to improve the working capital and Net Worth of the Company.

**Proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer.**

The proposed allottee is the constituents of the Promoter/ Promoter Group/Directors. No other Director or Key Management Personnel of the Company intends to subscribe to the Warrants.

**The identity of the (Natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control) proposed allottee and the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:**

Name(s) of the proposed Allottee(s)	Category	Natural person who ultimately controls the proposed allottee	Maximum no. of equity shares*	Value (in Rs.)	Pre-issue Shareholding		Post Issue Shareholding	
					No. of Shares	%	*No of Shares	%
Sri JB Pharma LLP	Promoter Group	1. Mr. Ramniwas R. Dhoot 2. Mr. Govardhan M. Dhoot 3. Mr. Ajay R. Dhoot 4. Mr. Aditya R. Dhoot	26,50,000	17,22,50,000	Nil	Nil	26,50,000	16.74%

**The total number of securities to be issued:**

The Board intends to offer, issue and allot up to 26,50,000 (Twenty Six Lakhs Fifty Thousand) share warrants shall be convertible into one equity share of nominal value of Rs. 10/- at issue price of 65/- (including premium of Rs. 55/-) of the Company, in accordance with Regulation 76(1) of the ICDR Regulations and applicable law.

**Consequential changes, if any, in the Management Control of the Company**

The proposed preferential allotment shall not result in any change in Management Control of the Company even on exercising the entire conversion of warrants.

**Relevant date:**

In the present case, the relevant date is 04 August 2015 being the date 30 days prior to the date of passing of this Resolution.

**Pricing of the Preferential Issue**

The warrants / Equity Shares to be issued on conversion of the warrants shall be issued at a nominal price of Rs. 10/- at issue price of 65/- (including premium of Rs. 55/-) not less than the price determined in accordance with Regulation 76 of the SEBI (ICDR) Regulations.

**Lock - in period**

The pre-preferential shareholding of the proposed allottee and the Warrants allotted to them as well as Equity Shares allotted to them on conversion of the warrants shall be locked in for such period as provided in the SEBI (ICDR) Regulations.

**Proposed time limit within which the allotment shall be completed**

The allotment of such preferential issue of Warrants shall be completed within a period of 15 days either from the date of passing of the Special Resolution or from the date of receipt of the approvals from the Stock Exchanges or SEBI, wherever necessary.

**Auditors Certificate**

The Statutory Auditors of the Company shall certify that the Preferential Issue is being made as per SEBI Regulations. A copy of the certificate obtained from M/s. Milwani Associates, Chartered Accountants, Mumbai, (Firm Registration No. 106405W), certifying that the issue of Warrants is being made in accordance with the requirement of SEBI Regulations for preferential issue of the Company shall be placed at the registered office of the Company. Auditors certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the registered office of the Company on any working day except Public holidays and Sundays between 2:00 pm to 4:00 pm for inspection on any working day after relevant date upto the date of the Annual General Meeting.



### Shareholding Pattern of the Company before and after Preferential Issue

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to Proposed allottees is provided as under:

	Category	Pre Issue (As on 30 <sup>th</sup> June 2015)		* Post Issue	
		Total Shares	%	Total Shares	%
A	Promoters' holding				
1	Indian				
	Individual	3074573	23.33	3074573	19.42
	Bodies Corporate	2484060	18.85	5134060	32.44
	<b>Sub Total</b>	<b>5558633</b>	<b>42.18</b>	<b>8208633</b>	<b>51.86</b>
2	Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	<b>5558633</b>	<b>42.18</b>	<b>8208633</b>	<b>51.86</b>
B	Non - Promoters' holding				
1	Institutional Investors	-	-	-	-
2	Non-Institution :				
	Private Corporate Bodies	1038509	7.88	1038509	6.56
	Indian Public	5982788	45.40	5982788	37.80
	Other (Foreign Company)	137077	1.04	137077	0.87
	Clearing Member	461241	3.5	461241	2.91
	<b>Sub Total (B)</b>	<b>7619615</b>	<b>57.82</b>	<b>7619615</b>	<b>48.14</b>
	<b>GRAND TOTAL</b>	<b>13178248</b>	<b>100</b>	<b>15828248</b>	<b>100</b>

\*Assuming all Warrants are converted in one or more than one financial year but within a period of 18 (Eighteen) months from the date of allotment of Warrants, subject to compliance with the minimum public shareholding requirements, as applicable, including under Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

#### General:

- The warrant holders shall also be entitled to any future issue of bonus / rights, if any, of Equity Shares or warrants convertible into Equity Shares or such other securities by the Company, in the same proportion and manner as any other shareholders of the Company for the time being and the Company shall reserve proportion of such entitlement for the warrant holders.
- The warrant by itself does not give to the holder(s) thereof any rights of the shareholders of the Company.
- The Equity Shares to be issued and allotted by the Company on exercise of the Warrants in the manner aforesaid shall be in dematerialized form and subject to the Memorandum and Articles of Association of the Company and shall rank paripassu in all respects including dividend, with the then existing Equity Shares of the Company and be listed on stock exchanges where the Equity Shares of the Company are listed.
- In the event of entitlement attached to Warrants to subscribe for Equity Shares is not exercised within the period as mentioned above, the same shall lapse and the amount paid on the Warrants shall stand forfeited.

#### Undertaking

In terms of SEBI (ICDR) Regulations, 2009 the Company hereby undertakes that:

- the Company shall re-compute the price of the specified securities in terms of the provision of SEBI (ICDR) Regulations where it is required to do so;
- if the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR)

Regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottee .

The Board at its meeting held on 06 February 2015 has approved the issue and allotment of Warrants on preferential basis in the manner stated hereinabove.

The Board recommends the Special Resolution as proposed in the accompanying Notice for your approval.

None of the Directors of the Company, key managerial personnel of the Company and their relatives except Mr. Govardhan Murlidhar Dhoot are in any way concerned or interested, financially or otherwise in this Resolution, are concerned or interested in the proposed Special Resolution.

BY ORDER OF THE BOARD OF DIRECTORS

**Govardhan M. Dhoot**  
Chairman

Place: Mumbai

Dated: 06 August, 2015



## **INSTRUCTIONS FOR ELECTRONIC VOTING ('e-Voting')**

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 42nd Annual general Meeting of the Company. The Company has appointed Manish Baldeva, Practicing Company Secretary to act as scrutinizer for conduction scrutiny of the votes cast.

The instructions for members for voting electronically are as under:

- (i) The voting period begins on 31<sup>st</sup> August 2015, 09.30 A.M and end on 2<sup>nd</sup> September 2015 05.30 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 27 August 2015 , 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.
- (iv) 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:

	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 sequence number which is printed on Address sticker indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If 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 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.
- (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 Mangalam Drugs & Organics Limited.
- (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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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 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.
- (xix) 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).

**DIRECTORS' REPORT**

To,  
The Members of

**MANGALAM DRUGS & ORGANICS LIMITED**

The Directors have pleasure in presenting to you their Forty - Second Annual Report and the Company's audited financial statement for the accounting year ended 31<sup>st</sup> March 2015.

**1. FINANCIAL RESULTS**

(Rs. In Lacs)

Particulars	2014-2015	2013-2014
Revenue from operations	<b>22058.39</b>	12251.61
Other Income	<b>12.64</b>	24.37
Profit before Finance Expenses, Depreciation & Amortizations	<b>2044.65</b>	984.63
Less: Depreciation & Amortizations	<b>415.40</b>	401.05
Finance Expenses	<b>1028.37</b>	974.21
<b>Profit / (Loss) before tax</b>	<b>600.88</b>	(390.63)
Provision for Deferred Tax	<b>13.24</b>	(86.71)
<b>Profit / (Loss) after tax</b>	<b>614.12</b>	(303.92)
<b>Balance b/f. from previous year</b>	<b>(854.61)</b>	(550.69)
<b>Balance carried to Balance Sheet</b>	<b>(240.49)</b>	(854.61)

**2. DIVIDEND**

The company does not propose to declare any dividend this year in order to conserve the profits of the Company.

**3. STATE OF COMPANY AFFAIRS**

The year under review saw a significant improvement in the performance of your company which earned a total income of Rs.22071.03 Lacs as compared to Rs.12275.98 Lacs in the previous year an increase of 80%. The company has made a profit after tax of Rs. 614.12 Lacs as against the loss of Rs.303.92 Lacs in the previous year. During the year under review the company has achieved export sales of Rs.5787.85 Lacs as against Rs.3718.65 Lacs in the previous year, an increase of 55.64%. Constant efforts are being made to boost the exports..

**4. FUTURE OUTLOOK**

Although the global recessionary pressures continue to affect chosen therapeutic segments, your company has been successful in further augmenting its international market presence. It remains committed to continuously deliver two molecules per quarter. Antihistamines and antiretroviral APIs have been selected for development. It further remains determined to file and obtain approvals for 4 additional DMFs during next year. It is the robust regulatory strategy (11 DMFs approved), the prudent partnering (critical process input sourcing) & continuous resource restructuring are the factors which are going to continue carving a brighter future for us. From a narrow product range company in early 80's, MANGALAM has marched against aggressively to create a niche for itself in Antimalarial and Antiretroviral drugs helping to address relevant unmet therapeutic needs worldwide.

**5. DEPOSIT**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on date of the balance sheet.

**6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes 10, 14 and 23 to the Financial Statements.

**7. RISK MANAGEMENT**

The Company has formulated a policy on Risk Management and the same is detailed in the Corporate Governance Report. Risks are classified in different categories such as Financial, Operational, Legal and Strategic risks. These risks are reviewed from time to time and controls are put in place with specific responsibility of the concerned officer of the Company.

**8. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption are also provided in the Annexure I to this Report.

**9. PARTICULARS OF EMPLOYEE**

The total number of employees as on 31st March, 2015 stood at 263. There were Nil employees, who were employed throughout the year and were in receipt of remuneration aggregating Rs. 60 lakhs or more or were employed for part of the year and were in receipt of remuneration aggregating Rs. 5 lakhs per month or more during the financial year ended 31st March, 2015.

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:



a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Name of the Director/KMP	Ratio to Median Remuneration
Mr. Goverdhan Murlidhar Dhoot	1.24
Mr. Subhash Khattar	0.06
Mr. Rajendra Mimani*	0.04
Ms. Meenal Sukhani*	0.02
Mr. Ajay Samant, CFO	2.10

\*Since this information is for part of the year, the same is not comparable.

b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Name of the Director/KMP	% increase in remuneration in the financial year
Mr. Goverdhan Murlidhar Dhoot	NIL
Mr. Subhash Khattar	38.46
Mr. Rajendra Mimani	140* (Resigned on 02.02.2014)
Ms. Meenal Sukhani	--
Mr. Ajay Samant, CFO	2.83

c. **The percentage increase in the median remuneration of employees in the financial year:**

Median remuneration change is insignificant.

d. **The number of permanent employees on the rolls of Company:** 263

e. **The explanation on the relationship between average increase in remuneration and Company performance:**

The remunerations have largely remained unchanged.

f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of KMP in the financial year 2015 (Rs. In lakh)	19.37
Revenue (Rs. In lakh)	22058.39
Remuneration of KMP (as % of Revenue)	0.09
PBT (Rs. In lakh)	600.88
Remuneration of KMP (as % of Revenue)	3.22

g. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	2014-15	2013-14	% Change
Price Earning Ratio	5.69	(2.04)	378.92%
Market Capitalisation	349173354	62192386	461.44%

h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2015	IPO (April 19, 2005)	% Change
Market Price (BSE)	26.5	22	20.4546
Market Price (NSE)	26.5	22	20.4546

i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average annual increase was around 2%

There is no exceptional increase in managerial remuneration.

j. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	Mr. Goverdhan Murlidhar Dhoot	Mr. Ajay Samant, CFO
Aggregate remuneration of KMP in the financial year 2015 (Rs. In Lakhs)	7.20	12.17
Revenue (Rs. In lakh)	22058.39	
Remuneration of KMP (as % of Revenue)	0.03	0.06
PBT (Rs. In lakh)	600.88	
Remuneration of KMP (as % of PBT)	1.20	2.02

k. **The key parameters for any variable component of remuneration availed by the directors:**

Nil.

l. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Ratio to average remuneration of such employees is 0.65.

**m. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review Mr. Rajendra Prasad Mimani an Independent director stepped down from the Board. Your Board wishes to place on record its deep sense of appreciation for the valuable contributions made by him to the Board and the Company during his tenure as Director.

- a) Mr. Govardhan M. Dhoot retires by rotation and being eligible, offers himself for re-appointment. Further Mr. Dhoot's appointment as wholetime director was valid till 31st October, 2015. Your Board after necessary recommendation from the Nomination and Remuneration Committee has re-appointed him as a Managing director and necessary proposal for his reappointment is included in the Notice convening the AGM.
- b) Ms. Meenal Sukhani was appointed as an additional director non-executive with effect from 21st October, 2014. She was thereafter appointed as an Independent Director pursuant to her furnishing necessary declaration of independence as required under the Listing Agreement. The Board of Directors approved her appointment as an independent director on 2nd May, 2015. In terms of Sections 149, 150, 152, other applicable and related provisions of the Companies Act, 2013 read with Rules made thereunder, retirement by rotation shall not apply to Independent Directors.
- c) Mr. Brijmohan Dhoot, was appointed as an additional director Non-Executive on 02 May 2015. Your directors seek member's approval for his appointment to the office of Non-Executive director liable to retire by rotation.

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

At the Board Meeting held on 31 October, 2014, Mr. Ajay Samant, VP Finance was designated as Chief Financial Officer "Key Managerial Personnel" of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company was not able to appoint as a Company Secretary as is required under section 203 and is in the process of finding a suitable person to fill the position.

**11. REMUNERATION POLICY**

The remuneration policy, takes into account the circumstance of business so as to attract and retain quality talent and leverage performance significantly.

Remuneration of the Executive Directors is determined by the Board, on the recommendation of the Nomination & Compensation Committee which is subject to the approval of the Shareholders.

Non-Executive Directors are also entitled to sitting fees for attending meetings of the Board and Committees thereof the quantum of which is determined by the Board. The sitting fees payable to Non-Executive Directors, as determined by the Board is Rs. 2000 for each meeting of the Board, Audit Committee, Independent Directors Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee.

**12. DISCLOSURES:****i. Whistleblower Policy**

The Company has a Whistleblower Policy to report genuine concerns and grievances. The same is explained in the Corporate Governance Report. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Whistleblower Policy is also available on the Company's corporate website <http://www.mangalamdrugs.com/images/pdf/whistle-blower-policy.pdf>

**ii. Audit Committee**

The Audit committee was reconstituted on 16th April, 2014 with Mr. Rajendra Prasad Mimani (Independent Director), Mr. Subhash Khattar (Independent Director) and Mr. Govardhan M. Dhoot (Executive Director).

Mr. Rajendra Prasad Mimani resigned from his office on 2nd February, 2015 and the Audit committee was thereafter reconstituted with Ms. Meenal Sukhani\* (Non-Executive Director), Mr. Subhash Khattar (Independent Director) and Mr. Govardhan M. Dhoot (Executive Director). All the recommendations made by the Audit Committee were accepted by the Board. Detailed Information of the Audit Committee may be reviewed in Annexure II of the Report.

\*Ms. Meenal Sukhani filed a declaration of her independence as required under the Listing Agreement and the Board approved her appointment as an Independent Director on 02 May, 2015.

**iii. Prevention of Sexual Harassment Policy**

During the year 2014-2015, NIL complaints were received by the Company related to sexual harassment.

**13. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

NIL

**14. MATERIAL EVENTS AFTER BALANCE-SHEET DATE**

There are no material changes and commitments to report affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

**15. DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134 of the Companies Act, 2013, your Directors confirm having:





- a) Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures if any;
- b) Selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) Prepared the Annual Accounts on a going concern basis;
- e) Laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and
- f) Devised proper systems to ensure compliance with the provisions of all applicable laws and that, such systems were adequate and operating effectively.

## 16. AUDITORS AND AUDITORS' REPORT

### i. *Secretarial Auditors*

Your Board, during the year, appointed Ms. Shalini Shrivastav, Practising Company Secretary, to conduct secretarial audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is attached herewith marked as Annexure V to this report.

The Company is yet to comply with Section 203 of the Companies Act 2013 regarding non appointment of Key managerial personnel- Company Secretary and the process to fill this appointment is on.

### ii. *Statutory Auditors*

M/s. Milwani Associates, Chartered Accountants (Firm Registration Number:106405W), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of last AGM held on 29 September 2014 until the conclusion of 44th AGM to be held in the year 2017. Members are request to ratify their appointment for the financial 2015-16.

There are no qualifications in the audit report for financial year 2014-15.

Pursuant to Section 148 of the Companies Act 2013 read with Cost Audit Rules thereunder the Company has maintained its cost records for auditing. M/S Ankit Kishore Chande have been appointed as Cost Auditors to audit the cost accounts maintained by the Company in respect of Bulk Drugs for the year ending March 31, 2015.

### iii. *Cost Auditors*

Pursuant to Section 148 of the Companies Act 2013 read with Cost Audit Rules thereunder the Company has maintained its cost records for auditing. M/S Ankit Kishore Chande have been appointed as Cost Auditors to audit the cost accounts maintained by the Company in respect of Bulk Drugs for the year ending March 31, 2015.

## 17. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance is set out in Annexure II forming part of this Report.

## 18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is annexed as Annexure III forming part of this Report.

## 19. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure IV to the Boards Report.

## 20. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arms-length basis. Note 33 to the Financial Statements covers the disclosure.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.mangalamdrugs.com/images/pdf/rpt-policy.pdf>

## 21. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors are also grateful to the customers, suppliers and business associates of your Company for their continued cooperation and support. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable teamwork and enthusiastic contribution during the year.

For and on behalf of the Board of Directors

**Govardhan M. Dhoot**

Chairman

DIN NO:01240086

Place: Mumbai

Dated: 06<sup>th</sup> August, 2015

**ANNEXURE I TO DIRECTORS' REPORT**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 for the year ended 31 March 2015

**1. CONSERVATION OF ENERGY****a) Steps taken for conservation of energy and the impact of such steps:**

The manufacturing processes of the Company are not energy intensive; therefore impact of energy saving devices is insignificant. Energy conservation is an ongoing process within the company. The Company has been making continuous efforts for enhancement in capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological norms.

**b) Steps taken by the Company for utilizing alternate sources of energy**

No alternative source of energy was used during the period under review.

**c) Capital investment on energy conservation equipment**

Nil.

**2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****a. Major efforts made towards technology absorption**

- Study and optimization of processing parameters in the manufacture of antimalarial APIs.
- Quality upgradation of antimalarial APIs which are on priority list of World Health Organization.
- Synthesis of antimalarial compounds which are in pre-clinical stages.
- Analytical method innovations to meet international quality demands.

**b. Benefits derived as a result of the above Research and Development**

- Optimal utilization of resources for the global market.
- We are the first company to feature on WHO's API prequalification programme.
- We shall be a preferred source of future drug candidates and hence shall enjoy a competitive advantage.

**c. Details of imported Technology**

No technology has been imported.

**d. Future plan of action**

- Development of frontline antimalarial and antiviral API and their intermediates.
- Additional investment in state-of-the-art analytical instrumentation and plant machinery to boost quality and cost efficiencies.
- Generate a panel of novel antimalarial candidate compounds by Anagrammatic approach for screening against resistant malarial parasite strains.
- Upgrade unit 2 to meet stringent regulatory standards

**e. Expenditure on R&D**

With global village as a whole on the recovery curve, our thrust continues to remain innovation driven an environment friendly corporate citizen. The Research and Development comprises of 20 skilled scientists who harbor a unique and synergistic blend of scholarship with bench-skills. It has developed several synthesis options to reduce product processing time cycles and effluent load for existing as well as newer molecules. During the year under review, the company has expanded its anti-retroviral (AIDS) API portfolio which has an established market demand. The continued CSIR recognition to the R&D and presentation of unique/speciality chemicals on its website have already placed our research activity on the national and international map. This has resulted in the collaboration requests from reputed multinational companies. We have proudly delivered impurity standards of complex structural diversity to several companies, the compounds which had not been synthesized elsewhere globally. The Stringent Regulatory Agency like WHO-Geneva considers us as a reliable contributor to their interventions in public health upgradation. We plan to publish significant scientific findings in journals of high impact factor which we believe shall help boost our image amongst research driven organizations.

(Rs. In Lacs)

	Current Year	Previous Year
Capital	50.63	0.55
Recurring	79.23	75.10
Total	129.86	75.65

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services, and export plans: The Company is continuously exploring avenues to increase exports to various countries

b) Total foreign exchange used and earned

(Rs. In Lacs)

Particulars	Current year	Previous year
<b>Foreign Exchange Earned</b>		
Export of goods on CIF basis (including deemed exports)	5787.86	3718.65
<b>Foreign Exchange Outgo</b>		
(i) Raw material	12848.10	4787.75
(ii) Commission	24.78	16.62
(iii) Travelling Expenses	5.91	4.43
<b>Total Foreign exchange outflow</b>	<b>12878.79</b>	<b>4808.80</b>

For and on behalf of the Board of Directors

Place: Mumbai  
Dated: 6<sup>th</sup> August 2015

Govardhan M. Dhoot  
Chairman  
DIN NO:01240086



## ANNEXURE II TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

Your Directors present the Report on Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for the year ended 31st March 2015.

#### 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has complied with all the Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. The Company is committed to the consistent adherence to the said corporate governance code to maintain a greater degree of responsibility and accountability. Corporate governance is focused on maximizing shareholder value while ensuring fairness to all the stakeholders - customers, employees, vendor-partners, the government of the land, and society at large.

#### 2. BOARD OF DIRECTORS:

The Board of Directors of the Company had a balanced mix of Composition of the Board and also met the stipulated requirements. The following table gives details of directorship, category, attendance at board meetings and attendance at the last Annual General Meeting and number of membership of Board / Committees of various other companies during the year ended 31 March, 2015:

Name of Director(s)	Category of Directorship	No. of other directorship held	No. of Committee membership in all companies	No. of Board Meetings attended	Attend-ance at last AGM
Mr. Govardhan M. Dhoot	Chairman & Executive	3	1	11	Yes
Mr. Subhash C. Khattar	Non-Executive & Independent	1	2	11	Yes
Mr. Rajendraprasad K. Mimani*	Non-Executive & Independent	3	1	6	No
Ms.Meenal Sukhani**	Non Executive	Nil	Nil	4	NA

\*Mr. Rajendra Prasad Mimani resigned from the Board on 02 February 2015 resulting in vacancy in the office of the independent director however the necessary requirement was complied within the prescribed time limit on 02 May,2015 with the appointment of Ms.Meenal Sukhani as an independent director.

\*\*Ms. Meenal Sukhani was appointed on 21<sup>st</sup> October,2014 as an Additional Director-Non-Executive thereafter she filed the declaration of her independence to the Board. On 02 May 2015 she was appointed as an Independent Director by the Board.

Mr. Brijmohan Dhoot was appointed as a Non-Executive Non Independent Director on 02 May 2015.

There were 11 (eleven) Board meetings held during the year-ended 31.03.2015. These were on 16 April 2014, 23rd May 2014, 29th May 2014, 30 June 2014, 12 August 2014, 25 August 2014, 21 October 2014, 31 October 2014; 14 Nov 2014, 22 December 2014 and 23 January 2015. The last Annual General Meeting (AGM) was held on 29 September 2014.

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for their consideration. None of the Independent Directors have any material pecuniary relationship or transaction with the Company.

#### Code of Conduct:

The Board has laid down a Code of Conduct for all the Board members and Senior management of the Company which is also posted on the website of the Company. The Board members and Senior management have affirmed compliance with the Code of Conduct.A declaration signed by the Company's Chairman on behalf of the Board is published in the Report.

#### 3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted pursuant to the provisions of the Companies Act, 2013 and the Listing Agreements with the Stock Exchanges. The constitution of Audit Committee during the year ended on 31st March 2015 is as follows:

Name of Director	Category	Profession	No. of meetings Attended
Mr. Rajendra Prasad Mimani*	Non-Executive & Independent	Industrialist	5
Mr. Subhash C. Khattar	Non-Executive & Independent	Chartered Accountant	5
Mr. Govardhan M. Dhoot	Executive	Industrialist	5

\*Mr. Rajendra Prasad Mimani resigned from the Board effective 02 February 2015 and Ms. Meenal Sukhani was appointed to the Committee on 02 May 2015 as an Independent director.

During the year-ended 31.03.2015, 5 (Five) Audit Committee meetings were held. These were held on 29th May 2014, 12th August 2014, 25 August 2014, 14 November 2014 and 23 January 2015.

The role and terms of reference of the Audit Committee include review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the internal Auditors and Statutory Auditors, review of financial statements both quarterly and annual before submission to the Board, review of management discussion and analysis of financial conditions and other matters specified under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

For Audit Committee meetings, the Internal and Statutory Auditors are invited and these meetings are generally attended by Committee members, CFO and General Manager (Accounts).

#### 4. STAKEHOLDER RELATIONSHIP COMMITTEE:

The constitution of Stakeholder Relationship Committee is given below:



Name of Director	Category
Mr. Subhash C. Khattar	Non-Executive Independent
Mr. Govardhan M. Dhoot	Executive

Mr. Subhash C. Khattar is the Chairman of the Committee.

**Investor Grievances:**

Nature of complaints received from shareholders during the year 2014-15 and their status is as follows:

Nature of complaints	Received	Resolved	Pending
Non – Receipt of dividend / issue of duplicate dividend warrants / Annual Report / Share certificate	1	1	Nil

Mr. Ajay Samant, CFO is the Compliance Officer of the Company.

5. **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the company. The appointment and remuneration of directors and Key Management Personnel are determined by the Committee.

The terms of reference for the Nomination and Remuneration Committee includes:

1. To formulate a Nomination and Remuneration Policy on:
  - a. Determining qualifications, positive attributes and independence of a director.
  - b. Guiding remuneration of Directors, Key Managerial Personnel (“KMP”) and other employees and Board diversity.
2. Recommend Nomination and Remuneration Policy to the Board.
3. Identify candidates who are qualified to become Directors.
4. Identify persons who are qualified to become Senior Management(Senior Management of the Company means employees of the Company who are Divisional Heads and Corporate Functional Heads). Recommend to the Board the appointment and removal of Directors and Senior Management.
5. Lay down the process for evaluation of the performance of every Director on the Board.

The Composition of the Committee during the year ended on 31 March,2015 is as follows:

Name of Director	Category	No. of meetings Attended
Mr. Rajendra Prasad Mimani*	Non-Executive & Independent	1
Mr. Subhash C. Khattar	Non-Executive & Independent	2
Ms. Meenal Sukhani**	Non-Executive	2

\*Mr. Rajendra Prasad Mimani resigned from the Board on 02 February 2015

\*\*Ms. Meenal Sukhani was appointed as an Independent director to the Committee on 02 May 2015

Mr. Subhash C. Khattar is the Chairman of the Committee. Mr.Brijmohan M. Dhoot was appointed as Non Executive Non Independent Director to the Committee on 02 May 2015.

The qualities and positive attributes of independent directors are as provided in the Act and the Listing requirements and they need to uphold the highest standards of ethical conduct.

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation. The Board has evaluated performance of all the Directors including Independent Directors and expressed its satisfaction. Evaluation procedure covered Board’s functioning such as adequacy of the size and composition of the Board and its Committees to ensure diversity and adequate skills in the best interest of the Company as a whole.

**Remuneration Policy**

The Nomination and Remuneration Committee recommends the remuneration to be paid to the Key Managerial Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the Company successfully as also is linked to the Company’s performance. The same is required to be reviewed periodically to make any adjustment based on the market.

6. **REMUNERATION OF DIRECTORS:**

Following are the details of remuneration paid to the Executive Director of the Company:

Name of Director	Salary (Rs.)(p.a.)	Service Contracts	Notice Period
Govardhan M Dhoot	7,20,000	5 years	3 months

**Non-Executive Directors**

In terms of Clause 49 VIII.C.3 of the amended Listing Agreement, the Company has linked the remuneration to be paid to the Non-Executive Directors to their attendance at the meetings of the Board or Committees. The Non-executive / Independent directors are paid only sitting fees of Rs. 2000/- for attending all the meetings held and attended on a single day. The Board has the flexibility to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.



No other payments are made to the Non-Executive Directors during the Financial Year 2014-15. The details of sitting fees paid to non-executive directors during the year under review are as follows:

Name of Director	Sitting fees paid (Rs.)	No. of shares held
Mr. Rajendra Prasad Mimani	24,000	Nil
Mr. Subhash C. Khattar	36,000	Nil
Ms. Meenal Sukhani	12,000	Nil

#### 7. FAMILIARISATION PROGRAMME FOR DIRECTORS

A well informed familiarised Board member, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfills stakeholders' aspirations and societal expectations. In pursuit of this, the Directors are updated on a continuing basis on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations and economic environment, to enable them to take well informed and timely decisions. The details of the familiarisation programme may be accessed on the Company's corporate website at Link <http://www.mangalamdrugs.com/images/pdf/familiarization-program-details.pdf>

#### 8. OTHER DISCLOSURES

- Details of non-compliances, penalties, strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years: **None**
- Inter-se relationships between Directors of the Company for Financial Year ended 31 March, 2015-**None**.
- Material significant related party transactions which may have potential conflict with the interests of the Company at large: **None**
- Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large: **None**

#### 9. GENERAL BODY MEETINGS:

**Details of last three Annual General Meetings held are given below:**

Year	Day	Date	Time	Venue	No. of Special Resolutions passed
2012	Thursday	27-09-2012	11.00 a.m.	292, Princess Street, 2 <sup>nd</sup> Floor, Near Flyover, Marine Lines, Mumbai – 400 002	Nil
2013	Thursday	26-09-2013	11.00 a.m.	292, Princess Street, 2 <sup>nd</sup> Floor, Near Flyover, Marine Lines, Mumbai – 400 002	Nil
2014	Monday	29-09-2014	11.00 a.m.	Rupam Building, 3rd Floor, 239, P. D'Mello Road Near G.P.O Mumbai – 400001	Two

No resolution was put through postal ballot during the year under review. This year there is no resolution proposed under postal ballot so far.

#### **Details of unclaimed shares in terms of clause 5A of the Listing Agreement:**

In terms of clause 5A of Listing Agreement, the Company shall credit the shares allotted pursuant to the Initial Public Offer (IPO) of the Company in the year 2005, which are unclaimed and are lying in escrow account to a demat suspense account, and the details thereof as required to be disclosed in the Annual Report are given below:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding Shares lying in the suspense account at the beginning of the year i.e. as on April 1, 2014.	17	3714
Number of shareholders who approached to the Issuer, Registrar for transfer of shares from suspense account during the Financial Year 2014-15.	NIL	NIL
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2014-15.	NIL	NIL
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year i.e. as on March 31, 2015.	NIL	NIL

#### 10. COMPLIANCE WITH NON MANDATORY REQUIREMENTS:

The Company has been compliant with Board composition requirements and requirements w.r.t. Statutory auditors qualification on financial statements and reporting of Internal Auditors..

#### 11. DISCLOSURES:

- There are no transactions of material nature that have been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company. Transactions with related parties are disclosed in Notes to Accounts forming part of the Balance Sheet in the Annual Report.
- No penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.



**12. MEANS OF COMMUNICATION:**

The quarterly results were normally published in Free Press Journal (English Newspaper) and Navashakti (Marathi Newspaper) as required and also forwarded to the Stock Exchanges in accordance with the listing agreement. The Company's financial results and official news releases are displayed on the Company's Website www.mangalamdrugs.com. No presentations were made to institutional investors or to the analysts. The Management Discussion & Analysis Report forms a part of the Annual Report.

**13. GENERAL SHAREHOLDER INFORMATION:**

**(a) 42<sup>nd</sup> Annual General Meeting – Day, Date, Time and Venue:**

Day	Date	Time	Venue
Thursday	3 <sup>rd</sup> September, 2015	11.30 A.M.	<b>M.C. GHIA HALL</b> Indian Textile Accessories & Machinery Manufacturers' Association Bhogilal Hargovindas Bldg., 4 <sup>th</sup> Flr., 18/20 K.Dubash Marg, Kala Ghoda, Mumbai – 400 001.

**(b) Financial Calendar**

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Adoption of Quarterly Results for the quarter ending:	
June, 2015	1 <sup>st</sup> / 2 <sup>nd</sup> week of August, 2015
September, 2015	1 <sup>st</sup> / 2 <sup>nd</sup> week of November 2015
December, 2015	1 <sup>st</sup> / 2 <sup>nd</sup> week of February 2016
March, 2016	Last week of May, 2016
Dates of Book Closure (Both days inclusive):	28th August 2015 to 3rd September 2015 (Both days inclusive)
Dividend Payment Date:	Not Applicable

**(c) Listing on Stock Exchanges:**

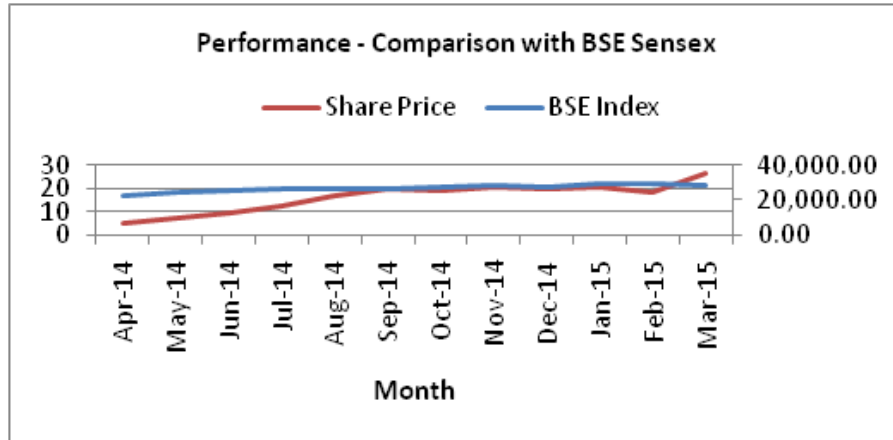
The Bombay Stock Exchange Limited (BSE), Mumbai - Stock Code: 532637  
The National Stock Exchange of India Ltd. (NSE) - Symbol: "MANGALAM"  
The Company has paid the annual listing fees to each of the said exchanges.

**(d) Market Price Data:**

Month	National Stock Exchange of India Ltd.			Bombay Stock Exchange Ltd.		
	High (Rs.)	Low (Rs.)	Monthly Volume (no. of shares)	High (Rs.)	Low (Rs.)	Monthly Volume (no. of shares)
Apr-14	5.8	4.4	41,449	5.78	4.52	50,415
May-14	5.65	4.2	19,151	6.6	4.66	31,300
Jun-14	8.85	5.5	16,069	10.02	6.93	1,04,613
Jul-14	13.85	8.2	1,61,735	13.9	8.41	2,21,972
Aug-14	18	12.4	3,31,735	18.45	12.5	6,27,297
Sep-14	25.5	16.6	5,09,568	25.6	16.7	6,95,588
Oct-14	20.8	16	1,30,832	20.8	15.8	86,449
Nov-14	26.3	17.5	5,05,968	25.45	17.65	4,26,634
Dec-14	24.65	17.6	8,15,043	24.65	17.5	7,52,621
Jan-15	22.1	18.25	5,97,375	22.65	18.8	4,70,070
Feb-15	22.2	17.25	4,69,099	22.4	17.4	4,30,615
Mar-15	31.45	17.35	25,35,546	31.5	17.4	15,26,814

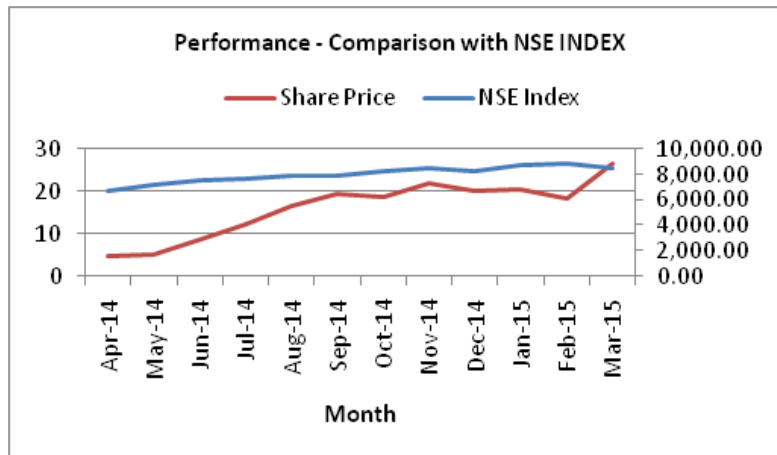
**BSE ad Share Price**

Month	BSE Index	Share Price
Apr-14	22,417.80	4.71
May-14	24,217.34	6.6
Jun-14	25,413.78	8.89
Jul-14	25,894.97	12.5
Aug-14	26,638.11	16.61
Sep-14	26,630.51	19.64
Oct-14	27,865.83	18.7
Nov-14	28,693.99	20.6
Dec-14	27,499.42	20.05
Jan-15	29,182.95	20.75
Feb-15	29,361.50	18.45
Mar-15	27,957.49	26.5



**NSE and Share Price**

Month	NSE Index	Share Price
Apr-14	6,696.40	4.8
May-14	7,229.95	5.25
Jun-14	7,611.35	8.6
Jul-14	7,721.30	12.2
Aug-14	7,954.35	16.6
Sep-14	7,964.80	19.45
Oct-14	8,322.20	18.75
Nov-14	8,588.25	21.85
Dec-14	8,282.70	20.15
Jan-15	8,808.90	20.55
Feb-15	8,901.85	18.3
Mar-15	8,491.00	26.5



**(e) Registrar & Transfer Agents:**

M/s. Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078  
 Telephone No. 022 – 25963838 Fax No.022 – 2594 6969



**(f) Share Transfer System:**

The shares of the Company are permitted for trading in dematerialization form only. The Company's shares are available for trading in the depository systems of both NSDL and CDSL. Security Code No. with NSDL and CDSL is - ISIN No. INE584F01014. About 99.99% shares of the Company are in Demat mode as on 31<sup>st</sup> March 2015

**(g) Shareholding Pattern as on 31<sup>st</sup> March, 2015:**

SN	Category	No. of Shares held	%
A.	Promoters and Promoter Group		
1	Individual / Hindu Undivided Family	3074573	23.33
2	Bodies Corporate	2475560	18.79
	<b>Total</b>	<b>5550133</b>	<b>42.12</b>
B.	Non- Promoters Holding		
1	Institutional Investors	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
2	Others		
	a. Private Corporate Bodies	1977377	15.00
	b. Individuals	5303280	40.24
	c. NRIs / NRNs	169934	1.29
	d. Clearing Members	177524	1.35
	<b>Total</b>	<b>7628115</b>	<b>57.88</b>
	<b>Sub-Total (1+2)</b>	<b>7628115</b>	<b>57.88</b>
	<b>GRAND TOTAL (A) + (B)</b>	<b>13178248</b>	<b>100.00</b>

Distribution of Shareholding as on 31<sup>st</sup> March 2015:

No. of Shares			No. of Shareholders		No. of Shares	
From	-	To	Number	%	Number	% to total capital
1	-	500	5231	76.3761	1121837	8.5128
501	-	1000	760	11.0965	657086	4.9861
1001	-	2000	391	5.7089	621013	4.7124
2001	-	3000	125	1.8251	327609	2.4860
3001	-	4000	72	1.0512	263271	1.9978
4001	-	5000	66	0.9636	315587	2.3948
5001	-	10000	103	1.5039	776062	5.8890
10001 and above			101	1.4747	9095783	69.0212
<b>TOTAL</b>			<b>6849</b>	<b>100.00</b>	<b>13178248</b>	<b>100.00</b>

**(h) Plant locations**

**: Unit No. 1**

Plot No. 187-Phase II  
GIDC, Vapi,  
Dist. Valsad, Gujarat 396 195.  
Tel: 0260-3292029/2430598  
Fax: 0260-2431919

**Unit No. 2**

Plot No. 1203, Phase III  
GIDC, Vapi,  
Dist. Valsad, Gujarat 396 195.  
Tel: 0260-3291963/3291976  
Fax: 0260-2432669

**(i) Address for Correspondence:**

The shareholders are requested to address their communications/ suggestions/ grievances/ queries to our Share Transfer Agents:

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078





## DECLARATION

To

The Members of

**MANGALAM DRUGS & ORGANICS LIMITED**

It is hereby certified and confirmed that as provided in Clause 49 1(D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2015. For and on behalf of the Board of Directors

Place: Mumbai

Dated: 06<sup>th</sup> August 2015

GOVARDHAN M. DHOOT

Chairman

DIN NO:01240086

Registered Office:

3<sup>rd</sup> Floor, Rupam Building, 239, P. D'Mello Road, Near G.P.O., Mumbai – 400001



## **CEO and CFO CERTIFICATION UNDER CLAUSE 49 (IX)**

We Govardhan M Dhoot, Chairman and Ajay Samant, Chief Financial Officer certify that:

- (i) We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of our knowledge and belief;
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These 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.
- (ii) 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.
- (iii) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we had evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we had disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal Controls, if any, of which We were aware and the steps We have taken or propose to take to rectify these deficiencies.
- (iv) We had indicated to the Auditors and the Audit Committee:
  - a) There has not been any significant change in internal control over financial reporting during the year under reference.
  - b) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - c) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**(Ajay Samant)**  
Chief Financial Officer

**(Govardhan M Dhoot)**  
Chairman

Place: Mumbai

Dated: 15<sup>th</sup> May 2015

Registered Office:

3<sup>rd</sup> Floor, Rupam Building, 239, P. D'Mello Road, Near G.P.O., Mumbai – 400001



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

**MANGALAM DRUGS & ORGANICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Mangalam Drugs & Organics Limited, for the year ended on 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountant of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **MILWANI ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 106405W

(Rakesh K. Milwani)  
Proprietor

Membership No. 36099  
Firm Registration No. 106405W

Place: Mumbai

Date: 06<sup>th</sup> August, 2015



## **ANNEXURE III TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Company Philosophy on Corporate Governance:**

Your Board of Directors always Believe in the principles of good governance. The Board believes in highest level of transparency, accountability, financial control in all its operations and believes in enhancing overall long term shareholder value and at the same time protecting the interest of all shareholders

### **Outlook:**

Mangalam Drugs & Organics Ltd., is one of the fastest growing Anti-Malarial API Companies. Mangalam Drugs & Organics Ltd., manufacturing plants are certified to be GMP compliant by local and international standard WHO GMP Certificate from Geneva for its API manufacturing plant. One on its facilities is audited and approved by European Directorate for the Quality of Medicines and Healthcare (EDQM). The company is certified ISO 9001-2008 Management System Certificate by DNV for design development. Mangalam Drugs is approved by Clinton Foundation USA under their fight against Malaria programme for supply of anti malarial bulk drugs worldwide.

### **Industrial Structure and Development:**

The Indian Pharmaceutical Industry has witnessed yet another excellent year in terms of growth in domestic as well as phenomenal growth in international market. Mangalam Drugs was also part of this growth momentum both in domestic and export market. We look forward to achieving new records in the coming year taking full advantage of the opportunities offered by the market.

### **Opportunities:**

The company's continuous investment in R&D is expected to bear fruit over the upcoming short and medium term. Our R&D team comprises of 20 skilled scientists who harbor a unique and synergistic blend of scholarship with bench skills. It has developed several synthesis options to reduce product processing time cycles and effluent load for existing as well as newer molecules. During the year the company has expanded its anti-retroviral (AIDS) API portfolio which has established market demand and the stringent regulatory agency like WHO-GENEVA consider us as a reliable contributor to their interventions in public health upgradation.

### **Threats Risk and Concerns:**

Maintaining low cost in the face of increasing regulatory and depreciating INR demands is another challenge that all companies in the generic drugs business have to monitor. We are taking precautions and preventive measures to proactively approach to overcome these threats.

### **Financial & Operational Performance:**

The year under review saw a significant improvement in the performance of your company which earned a total income of Rs.22071.03 Lacs as compared to Rs.12275.98 Lacs in the previous year an increase of 80%. The company has made a profit after tax of Rs. 614.12 Lacs as against the loss of Rs.303.92 Lacs in the previous year.

### **Internal Control System Adequacy:**

There are documented and well established operating procedures in the company. The company has team of well qualified and experienced professionals that conduct regular internal audits covering the company's operations. The finance function of the company is also adequately staffed with qualified and experienced personnel.

### **Human Resources Development & Research Activities:**

The company places special emphasis on the human resources function in the organization and building strong relationship and establishing its brand in the market to attract and retain best talent. This has helped the company to great extent to build a culture adhered people, whose performances are awarded and where employees can realize his or her potentials. The total number of employees as on 31st March, 2015 stood at 263.

### **Health and Safety measures:**

The Company is fully committed to the safety, health and well-being of its employees and to minimizing the environmental impact of its business operations. A safe and healthy environment is maintained, and appropriate steps are taken with the object of minimizing the environmental impact on all processes and practices. The Company has a range of policies, including on quality, safety and health aspects to guide the employees work practices, actions and decisions. The Company strives to continuously improve the effectiveness of its policies and employees are encouraged to contribute their might in this direction.

### **Cautionary Statement:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be considered to be forward looking statements and actual results could differ materially from those expressed or implied. Important factors which could make a significant difference to the company's operations include downtrend in the pharmaceutical sector, demand supply conditions, market prices, input components costs and availability, changes in government regulations and tax laws besides other factors such as litigation over which the company may not have any control.



## ANNEXURE IV TO DIRECTORS' REPORT

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31 March 2015

[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:

Sr.No.	PARTICULARS	DETAILS
i.	CIN	L24230MH1972PLC116413
ii.	Registration Date	18 April 1972
iii.	Name of the Company	MANGALAM DRUGS AND ORGANICS LIMITED
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	3RD FLOOR, RUPAM BUILDING 239, P. D'MELLO ROAD, MUMBAI.
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078

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

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of drugs, medicines and allied products	3040	100%

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

NIL

The above mentioned enterprises are in which Key Managerial Personnel (KMP) and relatives of KMP are able to exercise significant influence.

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year March 31, 2014				No. of Shares held at the end of the year March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters (Equity)</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	3,074,573	-	3,074,573	23.33	3,074,573	-	3,074,573	23.33	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	2,475,560	-	2,475,560	18.79	2,475,560	-	2,475,560	18.79	-
(e) Banks /Financial Institution	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>5550133</b>		<b>5550133</b>	<b>42.1159</b>	<b>5550133</b>		<b>5550133</b>	<b>42.1159</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=A(1)+A(2)</b>	<b>5550133</b>	<b>-</b>	<b>5550133</b>	<b>42.1159</b>	<b>5550133</b>	<b>-</b>	<b>5550133</b>	<b>42.1159</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year March 31, 2014				No. of Shares held at the end of the year March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<i>a) Bodies Corporate.</i>									
i) Indian	2875407	-	2875407	21.8193	1,977,377	-	1,977,377	15	(6.8193)
ii) Overseas	-	-	-	-	-	-	-	-	-
<i>b) Individuals</i>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3071129	1895	3073024	23.3189	3,649,423	1895	3,651,318	27.71	4.3911
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1568521	-	1568521	11.9023	1,651,962	-	1,651,962	12.54	0.6377
<i>c) Others</i>									
Non Resident Indians (Repat)	82694	-	82694	0.6275	155,316	-	155,316	1.18	0.5525
Non Resident Indians (Non Repat)	1264	-	1264	0.0096	14,618	-	14,618	0.11	0.1004
Clearing Member	27205	-	27205	0.20	177,524	-	177,524	1.35	1.15
<b>Sub-total (B)(2)</b>	<b>7626220</b>	<b>1895</b>	<b>7628115</b>	<b>57.8841</b>	<b>7626220</b>	<b>1895</b>	<b>7628115</b>	<b>57.8841</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7626220</b>	<b>1895</b>	<b>7628115</b>	<b>57.8841</b>	<b>7626220</b>	<b>1895</b>	<b>7628115</b>	<b>57.8841</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>13176353</b>	<b>1895</b>	<b>13178248</b>	<b>100</b>	<b>13176353</b>	<b>1895</b>	<b>13178248</b>	<b>100</b>	<b>-</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged or encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged or encumbered to total shares	
1	Shree Kishoriju Trading & Investments Pvt Ltd	1144522	8.6849	5.839	1144522	8.6849	5.839	-
2	Shree Rasbihari Trading & Investments Pvt Ltd	1139518	8.6470	5.801	1139518	8.6470	5.801	-
3	Dhoot Brijmohan Murlidhar	486996	3.6955	3.649	486996	3.6955	3.649	-
4	Chandrakant Murlidhar Dhoot	458292	3.4776	-	458292	3.4776	-	-
5	Dhoot Goverdhan Murlidhar	511792	3.8836	3.483	511792	3.8836	3.483	-



6	Smita A Dhoot	292500	2.2196	2.220	292500	2.2196	2.220	-
7	Radhika A Dhoot	292500	2.2196	2.220	292500	2.2196	2.220	-
8	Rajkumari R Dhoot	275948	2.0940	3.618	275948	2.0940	3.618	-
9	Raj Exports Pvt Ltd	191520	1.4533	2.511	191520	1.4533	2.511	-
10	Govardhan Murlidhar Dhoot	155330	1.1787	-	155330	1.1787	-	-
11	Dhoot Rekha Goverdhan	148760	1.1288	1.129	148760	1.1288	1.129	-
12	Ajay R Dhoot	138687	1.0524	1.052	138687	1.0524	1.052	-
13	Dhoot Jyoti Brijmohan	104550	0.7934	0.793	104550	0.7934	0.793	-
14	Aditya R Dhoot	89225	0.6771	0.677	89225	0.6771	0.677	-
15	Brijmohan Murlidhar Dhoot	77473	0.5879	-	77473	0.5879	-	-
16	Rajkamal Sukhani	23520	0.1785	0.178	23520	0.1785	0.178	-
17	Shweta Goverdhan Dhoot	19000	0.1442	0.144	19000	0.1442	0.144	-

(iii) Change in Promoters' Shareholding:

NIL

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01/04/2014 i.e. as per shareholding pattern of 31/03/2014		Changes in the shareholding (No. of Shares)		Shareholding at the end of the year as on 31/03/2015 i.e. as per shareholding pattern of 31/03/2015	
		No. of shares	% of total shares of the company	Increase (No. of shares)	Decrease (No. of shares)	No. of shares	% of total shares of the company
1	IPCA Laboratories Ltd	1633417	12.39	-	565478	1067939	8.1038
2	Lovin Trading Company Private Limited	337000	2.5572	-	-	337000	2.5572
3	Dipak Kanayalal Shah	141000	1.0699	9000	-	150000	1.1382
	Mita Dipak Shah						
	Sharad Kanyalal Shah						
4	Madras Parameswaran Manoj Mahadev	-	-	108700		108700	0.8248
5	Shyamsunder Gupta	101330	0.7689	-	-	101330	0.7689
6	Poonawalla Shares & Securities Pvt.Ltd	144032	1.093		70882	73150	0.5551
7	Snehalatha Singhi	72820	0.5526	-	-	72820	0.5526
8	Kokilaben Dinkerray Raval	-	-	72500		72500	0.5501
9	Ganesh Kumar	-	-	72500		72000	0.5464
10	Jayant Vishanji Kotak	71240	0.5406	-	1740	69500	0.5274
	Daksha Vishanji Kotak						

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding Opening Balance		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Govardhan M Dhoot				
At the beginning of the year	511792	3.8836	511792	3.8836
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease.	No transaction during the year			
At the end of the year	511792	3.8836	511792	3.8836


**VI. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,168.57	1,549.44	-	7,718.01
ii) Interest due but not paid	35.80	-	-	35.80
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,204.37</b>	<b>1,549.44</b>	-	<b>7,753.81</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	17.23	560.56	-	577.79
Reduction	549.28	-	-	549.28
<b>Net change</b>	<b>(532.05)</b>	<b>560.56</b>	-	<b>28.51</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,682.27	2,110	-	7,792.27
ii) Interest due but not paid	19.56	-	-	19.56
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5,701.83</b>	<b>2,110</b>	-	<b>7,811.83</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No	Particulars of Remuneration	Name of WTD G.M.Dhoot	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,20,000	7,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - Others, specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>7,20,000</b>	<b>7,20,000</b>
	Ceiling as per the Act	5% of the net profits	

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Rajendra Prasad Mimani	Mr. Subhash Khattar	Ms. Meenal Sukhani	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	24,000	36,000	12,000	72,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>24,000</b>	<b>36,000</b>	<b>12,000</b>	<b>72,000</b>
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1+2)</b>	<b>24,000</b>	<b>36,000</b>	<b>12,000</b>	<b>72,000</b>
	Overall Ceiling as per the Act	NA. Since only Sitting Fees was paid during the year			





## C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	-	12,17,532	12,17,532
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	<b>12,17,532</b>	<b>12,17,532</b>

## VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March, 2015.



## **ANNEXURE V TO DIRECTORS' REPORT**

### **FORM NO. MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**Mangalam Drugs & Organics Ltd.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mangalam Drugs and Organics Limited (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our 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 report that in my opinion, and to the best of our information, knowledge and belief and according to the explanations given to us, the company has, during the audit period covering the financial year ended on 31 March 2015 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 Mangalam Drugs & Organics Limited for the financial year ended on 31 March 2015 according to the Applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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 to the extent applicable to the Company;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 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;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchange of India.

Based on the representation made by the management of the Company, the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with specific applicable laws, Rules, Regulations and Guidelines viz., Drugs and Cosmetics Act, , The Pharmacy Act, 1948, The Narcotic Drugs and Psychotropic Substances Act, 1985, Trademarks Act, 1999, Indian Copy Right Act, 1957, The Patents Act, 1970, Food and Drug Administration licensing terms and conditions and Food and Bye-laws framed thereunder; Safety and Standards Act, 2006.

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. Mr. Rajendra Prasad Mimani, an independent director had resigned on 2<sup>nd</sup> February 2015 thereby a vacancy was created in the office of independent director. The said vacancy was filled within the prescribed time by appointment of Ms. Meenal Sukhani as an Independent director on 02 May 2015 by the Board.

**The Company is presently not compliant with Section 203 of the Companies Act 2013 and is in the process of appointing a Company Secretary as Key managerial personnel.**

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.

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.

**Ms. Shalini Shrivastav**

Company Secretary

Membership No: 25554

CP Number: 12890

Place: Mumbai

Date: 06 August 2015



## INDEPENDENT AUDITORS REPORT

To :  
The Members of  
**MANGALAM DRUGS & ORGANICS LTD.**  
Mumbai

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **MANGALAM DRUGS & ORGANICS LIMITED**(" the Company"),which comprise the **Balance sheet** as at 31<sup>st</sup> March, 2015, the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended,and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give true & fair view of the financial position,financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act ,2013 (the Act)read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Company's Act ,2013 and in accordance with the accounting principles generally accepted in India .This responsibility includes the design,implementation and maintainence of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement,whether due to fraud or error.

### AUDITOR' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures select depend on the auditor's judgement,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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management,as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

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

- (a) In the case of the Balance Sheet,of the state of affairs of the Company as at 31<sup>st</sup> March ,2015;
- (b) In the case of the Statement of Profit and Loss,of the Profit of the Company for the year ended on that date,and
- (c) In the case of the Cash Flow Statement,of the cash flows of the Company for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order,2015("the Order") issued by the Central Government of India in terms of Section 149 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 143 of the Act,we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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,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 Balance sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March ,2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March,2015 from being appointed as a director in terms of clause(g) of sub-section(1) of section 164 of the Act.

Place : Mumbai  
Date :15th,May 2015

( CA. RAKESH K. MILWANI )  
PROPRIETOR: **MILWANI ASSOCIATES**  
Membership No.036099  
Firm Registration No. 106405W

**Annexure to the Auditors report of the even date to the Members of****MANGALAM DRUGS AND ORGANICS LIMITED.**

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its asset. The discrepancies noticed have been properly dealt with in the books of accounts.
- ii) (a) The physical verification of inventory has been conducted at reasonable intervals by management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion the company has maintained proper records of inventory. The discrepancies between physical stock and the book stock were not material and have been properly dealt with in the books of accounts.
- iii) As informed to us, during the year the company has not granted any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence we express our inability to give our comments on loan receipts of principal interest or steps taken for recovery of overdue amount exceeding Rs one lakh.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control.
- v) (a) As informed to us the company has not accepted any deposits during the year. We therefore, express our inability to comment whether the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions have been complied with. We have been informed that no order in this connection has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- vi) The Company is maintaining cost records as prescribed by Central Government under section 148(1) of the Companies Act 2013 for the Company.
- vii) a) According to the information and explanation given to us the company is generally regular in depositing undisputed statutory dues including Provident Funds, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues wherever applicable with appropriate authorities. There is no outstanding dues for a period of more than six months from the date they become payable.
- b) The following are the disputed dues which have not been deposited:

Nature of Dues		Amount (Rs. In Lacs)	Forum where dispute is Pending
1)	<b>Excise Duty &amp; Service Tax</b>		
	a) 2009-10	5.00	CESTAT, Ahmedabad.
	b) 2011-12	24.82	Commissioner (Appeals)-Daman
	c) 2011-12	364.64	Commissioner Central Excise & service tax- Daman
	<b>Sub Total</b>	<b>394.46</b>	
2)	<b>Income Tax</b>		
	a) 2002 – 2003	00.86	Income Tax Appellant Tribunal Mumbai
	b) 2003 – 2004	00.88	Income Tax Appellant Tribunal Mumbai
	c) 2004 – 2005	22.09	Income Tax Appellant Tribunal Mumbai
	d) 2005 – 2006	1.36	Commissioner of Income Tax Appeals-Mumbai
	e) 2006 – 2007	21.42	Commissioner of Income Tax Appeals- Mumbai
	f) 2010 – 2011	1715.29	Commissioner of Income Tax Appeals-Mumbai
	<b>Sub Total</b>	<b>1761.90</b>	
3)	<b>Maharashtra Sales Tax</b>		
	a) 2005-2006-VAT	705.72	Dy. Commissioner of Sales Tax –Appeal-VI
	b) 2005-2006-CST	23.11	Dy. Commissioner of Sales Tax –Appeal-VI
	c) 2008-2009-VAT	633.44	Dy. Commissioner of Sales Tax –Appeal-VI
	d) 2009-2010-VAT	33.19	Maharashtra Sales Tax Tribunal
	<b>Sub Total</b>	<b>1395.46</b>	
	<b>Total</b>	<b>3551.82</b>	



- c) No amount has become transferable to investor education and protection fund in accordance with the relevant provisions of the Companies Act 2013.
- viii) The company has been registered for a period of more than five years we therefore offer no comments regarding the accumulated losses being or not being more than 50% of its net worth.
- ix) Based on our audit procedures and on the information and explanation given by the management, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holder
- x) On the basis of the information and explanation given to us the company during the year has not given corporate guarantee for loans taken by others from banks. We therefore are unable to comment on , the terms and conditions thereof being or not being prima-facie prejudicial to the interest of the company.
- xi) Based on the audit procedures performed and information and explanation given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**Place: Mumbai**

Date: 15th ,May 2015

( CA Rakesh K. Milwani )  
Proprietor: **Milwani Associates**  
Membership No.36099  
Firm Registration No.106405W


**BALANCE SHEET AS ON 31ST MARCH, 2015**
**In Lacs**

Particulars		Note No	As at 31 March, 2015	As at 31 March, 2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	1,317.82	1,317.82
	(b) Reserves and surplus	3	1,618.59	1,004.47
	<b>Sub Total -Shareholders funds</b>		<b>2,936.41</b>	<b>2,322.29</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	3,937.04	4,020.21
	(b) Deferred Tax Liabilities (Net)	5	169.80	58.56
	<b>Sub Total -Non-Current Liabilities</b>		<b>4,106.84</b>	<b>4,078.77</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	3,182.43	3,136.67
	(b) Trade payables		5477.29	2,086.73
	(c) Other current liabilities	7	1,286.53	919.97
	<b>Sub Total -Current Liabilities</b>		<b>9,946.25</b>	<b>6,143.37</b>
	<b>TOTAL</b>		<b>16,989.50</b>	<b>12,544.43</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>I) Non-current assets</b>			
	Fixed assets			
	(i) Tangible assets	8	5,294.79	5,338.43
	(ii) Long-term loans and advances	9	91.02	64.50
	<b>Sub Total -Non-Current Assets</b>		<b>5,385.81</b>	<b>5,402.93</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current Investments	10	24.02	17.92
	(b) Inventories	11	5,734.04	3,647.76
	(c) Trade receivables	12	4,424.69	2,968.73
	(d) Cash and cash equivalents	13	67.94	10.23
	(e) Short-term loans and advances	14	1,353.00	496.86
	<b>Sub Total Current Assets</b>		<b>11,603.69</b>	<b>7,141.50</b>
	<b>TOTAL</b>		<b>16,989.50</b>	<b>12,544.43</b>
	<b>Significant accounting policies</b>	1		
	<b>The accompanying Notes 1 to 22 are an integral part of the financial statements</b>			

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: MILWANI ASSOCIATES

Membership No: 36099

Firm Registration No: 106405W

**For and on behalf of the Board of Directors**

 (Shri Govardhan M.Dhoot)  
 Chairman

 (Shri Subhash C.Khattar)  
 Director

 Place : Mumbai  
 Date : 15<sup>th</sup> May 2015

 (Ajay Samant)  
 Chief Financial Officer



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2015

In Lacs

	Particulars	Note No	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations	15	22,524.16	12,716.87
	Less: Excise duty		465.77	465.26
	Revenue from operations		<b>22,058.39</b>	<b>12,251.61</b>
2	Other income	16	12.64	24.37
3	<b>Total revenue (1+2)</b>		<b>22,071.03</b>	<b>12,275.98</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	17	16,324.04	8,374.88
	(b) Changes in inventories of finished goods, work in progress and stock in trade	18	(745.54)	(544.63)
	(c) Employee benefits expense	19	1,095.20	1,024.55
	(d) Finance costs	20	1,028.37	974.21
	(e) Depreciation	8	415.40	401.05
	(f) Other Expenses	21	3,352.68	2,436.54
	<b>Total expenses</b>		<b>21,470.15</b>	<b>12,666.61</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		600.88	(390.63)
6	<b>Exceptional items</b>		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>600.88</b>	<b>(390.63)</b>
8	Extraordinary items		-	-
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>600.88</b>	<b>(390.63)</b>
10	<b>Tax expense:</b>			
	(a) Current tax		96.00	-
	(b) Mat Credit Entitlement		(220.48)	-
	(b) Deferred tax		111.24	(86.71)
			<b>(13.24)</b>	<b>(86.71)</b>
11	<b>Profit / (Loss) for the year (9 ± 10)</b>		<b>614.12</b>	<b>(303.92)</b>
12	<b>Earning Per equity share:</b>			
	1) Basic	22	4.66	(2.31)
	2) Diluted		4.66	(2.31)
	<b>Significant accounting Policies</b>			
	<b>The accompanying Notes 1 to 22 are an integral part of the financial statements</b>			

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: MILWANI ASSOCIATES

Membership No: 36099

Firm Registration No: 106405W

For and on behalf of the Board of Directors

(Shri Govardhan M.Dhoot)

Chairman

(Shri Subhash C.Khattar)

Director

Place : Mumbai

Date : 15<sup>th</sup> May 2015

(Ajay Samant)  
Chief Financial Officer



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	<b>PARTICULARS</b>	<b>2014-15 (Rs. In Lacs)</b>	<b>2013-14 (Rs. In Lacs)</b>
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	'Net Profit before Tax	<b>600.88</b>	(390.63)
	<u>Adjustment for :</u>		
	'Depreciation	<b>415.41</b>	401.05
	'Profit/Loss on sales of Fixed Assets	<b>7.83</b>	1.63
	Profit/Loss on sales of Investments	-	-
	'Dividend Income	<b>(1.33)</b>	(0.90)
	'Interest Expenses	<b>1,028.37</b>	974.21
	'Operating Profit before Working Capital changes	<b>2051.16</b>	985.36
	<u>Adjustment for :</u>		
	'Trade & Other receivables	<b>(2,207.29)</b>	(688.90)
	'Inventories	<b>(2,086.29)</b>	(541.80)
	'Trade Payable	<b>3,645.47</b>	1,001.94
	'Cash generated from Operation	<b>1403.05</b>	756.60
	<u>Less :</u>		
	'Taxes Paid	<b>(6.86)</b>	(8.27)
	<b>Net Cash from Operating Activities</b>	<b>1396.19</b>	748.33
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	'Purchase of Fixed Assets / Capital Expenditure	<b>(381.60)</b>	(230.25)
	'Sale of fixed Assets	<b>2.00</b>	2.50
	'Purchase/ Sale of Investments	<b>(6.10)</b>	0.53
	'Dividend received	<b>1.33</b>	0.90
	'Net Cash from Investing Activities	<b>(384.37)</b>	(226.32)
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	'Long Term Borrowings	<b>28.50</b>	183.25
	'Short Term borrowings	<b>45.76</b>	270.39
	'Dividend Paid	-	-
	'Interest Expenses	<b>(1,028.37)</b>	(974.21)
	'Net Cash from Financing Activities	<b>(954.11)</b>	(520.57)
	<b>Net decrease in cash &amp; cash Equivalents (A+B+C)</b>	<b>57.71</b>	1.44
	Opening Balance of Cash & Cash Equivalents	<b>10.23</b>	8.79
	Closing Balance of Cash & Cash Equivalents	<b>67.94</b>	10.23

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: **MILWANI ASSOCIATES**

Membership No: 36099

Firm Registration No: 106405W

**For and on behalf of the Board of Directors**

(Shri Govardhan M.Dhoot)  
Chairman

(Shri Subhash C.Khattar)  
Director

Place : Mumbai  
Date : 15<sup>th</sup> May 2015

(Ajay Samant)  
Chief Financial Officer





## Notes to financial statement for the year ended 31<sup>st</sup> March, 2015

### NOTE 01.

#### SINGNIFICANT ACCOUNTING POLICIES.

##### a. BASIS OF ACCOUNTING

- 1) The Books of Account are prepared under the Historical cost convention method using the accrual method of Accounting, based on principle of going concern and in accordance with the generally accepted accounting principle and the accounting standards referred to in section 133 of Companies Act 2013, as adopted consistently by the Company.
- 2) Excise and Custom duty is accounted for at the time of clearance of the goods.
- 3) Contingent Liabilities are disclosed by way of notes to accounts.

##### b. REVENUE RECOGNITION: -

- i) Sale of goods is recognised on dispatch to customers. Amount of sale includes central excise duty, sales tax and other incidental expenses. Purchases are accounted on the basis of goods dispatched to the company by its suppliers. Purchases include central excise, sales tax and also custom duty, clearing and forwarding charges and bank charges in case of imports.
- ii) Dividends are accounted on receipt basis.
- iii) Income from services rendered is accounted for when the work is performed.

##### c. FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction net of CENVAT credit taken and are inclusive of freight, duties, taxes, interest up to the start of commercial production and incidental expenses.

##### d. IMPAIRMENT OF ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and value in use.

##### e. METHOD OF DEPRECIATION

The company is charging depreciation on Straight Line Method at the rates and in the manner specifies in the Schedule XIV of the Companies Act, 1956.

##### f. INVESTMENTS

Investments are stated at cost.

##### g. INVENTORIES

- i) Raw Materials & Packing materials are valued at Cost or net realizable value whichever is lower.
- ii) Stock in process is valued at cost determined by taking in to material cost, Labour charges & other direct expenses
- iii) Finish goods are valued at cost or realizable market value whichever is lower.

##### h. FOREIGN CURRENCY TRANSACTIONS

- i) In respect of Export of goods, the transactions in foreign currency are recorded in rupees of the amount realized on such export sale proceeds. However in respect of export sale proceeds those of which are outstanding on the last date of the year the same are accounted at foreign exchange rate prevailing on that date. The differences of export proceeds received in respect of outstanding export of earlier year are transferred to sales.
- ii) In respect of Import of goods the transaction in foreign currency amount is recorded in rupees of the amount paid on such imports. However in respect of import purchases payable on last date of the year the same are accounted at foreign exchange rate prevailing on that date. The difference of payments for import purchase of earlier year is transferred to purchases.
- iii) In respect of foreign currency loan, exchange rate difference on loan outstanding at the end of the year and on repayments during the year is considered as finance charges.

##### i. RETIREMENT BENEFITS

- i) The Company makes regular monthly contribution to provident and pension fund Maintained by provident fund commissioners.
- ii) Defined Benefit plan in the form of gratuity are determined using the projected Unit credit method as at Balance sheet date
- iii) The Company has provided for leave encashment for the leave balances as on 31<sup>st</sup> March, 2015

##### j. RESEARCH AND DEVELOPMENT

Revenue Expenditure on Research and Development is charged to Profit and Loss account in the year in which it is incurred.

##### k. TAXATION

- i) The current charge for Income Tax is calculated on assessable profit of the company determine under Income Tax Act, 1961.
- ii) The Company accounts for taxes on income to include the effect of timing difference in the tax expenses in the profit & loss account and the deferred tax assets and liabilities in the balance sheet in accordance with the Accounting Standard AS 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, (ICAI). The company has evaluated various elements of tax computation to determine whether any deferred tax asset or liability needs to be recognized.
- iii) During the year the company has taken credit for entitlement of Minimum Alternate Tax(MAT) Liability since the company is of the view that MAT liability of current year is allowable deduction for Actual liability for future periods.



Note No	Particulars	As At 31-03-2015		As At 31-03-2014	
		In Numbers	In Lacs	In Numbers	In Lacs
2	<b>SHARE CAPITAL</b>				
	<b>a) Authorised</b> (2,00,00,000 Equity Shares of Rs.10 Each ) (31st March-2011 :200,00,000/-Equity shares of Rs.10 each)	200,00,000	2,000.00	200,00,000	2,000.00
			2,000.00		2,000.00
	<b>b) ISSUED SUBSCRIBED AND PAID UP</b> 1,31,78,248 Equity Shares of Rs.10/-each fully paid up (Previous Year1,31,78,248/-Equity Shares of Rs.10/-each)		1,317.82		1,317.82
	1) Pursuant to acquisition of business with undertaking of Mangalam Organics Pvt.Ltd.Mangalam Rasayan Pvt.Ltd & Shree Mangalam Pharma Pvt Ltd., 10,38000/-Equity shares for value Rs.10/-each were allotted to shareholders of such companies without payment being received in cash.				
	2) During Financial year 2002-2003,11,13000/-Equity Shares of face value of Rs.10/-each fully paid up were allotted as bonus shares without payment being received in cash by capitalisation of General Reserve.				
	3) During the year-2003-04, 44,52,000/-Equity shares of Rs.10/- each fully paid up were Alloted, by way of Bonus shares by capitalisation of General Reserves.				
	4) During the year 2005-06, 65,00,248/-Equity shares of Rs.10/- each fully paid up were Alloted, by way of initial public offer, at a premium of Rs.12/-per share.				
			1317.82		1317.82

**c) Terms / Right attached to equity shares**

The Company has one class of issued shares referred to as equity shares having a par value Rs 10/-each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors, If any,is subjected to the approval of shareholders in Annual General Meeting.In the event of liquidation of the Company the holder of the equity shares will be entitled to receive remaining assets of the Company after settlement of all preferential amount.

The distribution will be in proportion to the number of equity shares held by the equity shareholders.

**d) Reconciliation of the number of Shares outstanding and the amount of Share Capital as at March 31, 2015. and March 31, 2014**

Equity Shares (issued Capital )	As at 31-03-2015		As at 31-03-2014	
	In Numbers	In Lacs	In Numbers	In Lacs
Shares outstanding at the beginning of the year	13,178,248	1317.82	13,178,248	1317.82
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	13,178,248	1,317.82	13,178,248	1,317.82

**e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Equity Shares	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Fully paid up pursuant to contract (S)	0	0	0	0	0
without payment being received in cash	0	0	0	0	0

**f) Shareholders holding more than 5% shares in the Company is set out below:**

Sr.No	Name of Shareholder	Equity Shares			
		As at 31 March 2015		As at 31 March 2014	
		No of Shares held	% of Holding	No of Shares held	% of Holding
1	Shree Kishoriju Trading and Investment Pvt.Ltd	1144522	8.68	1144522	8.68
2	Shreee Rashbihari Trading and Investment Pvt.Ltd	1139518	8.65	1139518	8.65
3	IPCA Laboratories Ltd	1067939	8.10	1633417	12.39



(In Lacs)			
Note No	RESERVES AND SURPLUS	As at 31-03-2015	As at 31-03-2014
3	<b>A) GENERAL RESERVE :-</b>		
	Balance as per last Balance Sheet	1,079.05	1,079.05
	Add:-Transfer During the Year	-	-
	<b>Total Amount (A)</b>	<b>1,079.05</b>	<b>1,079.05</b>
	<b>B) SHARE PREMIUM :-</b>		
	Balance as per last Balance Sheet	780.03	780.03
	Add:-Transfer During the Year	-	-
	<b>Total Amount (B)</b>	<b>780.03</b>	<b>780.03</b>
	<b>C) PROFIT AND LOSS ACCOUNT :-</b>		
	Balance as per Last Balance Sheet	(854.61)	(550.69)
	Add:- Profit/(Loss) for the year	614.12	(303.92)
	<b>Total Amount ©</b>	<b>(240.49)</b>	<b>(854.61)</b>
	<b>Total Amount (A+B+C)</b>	<b>1,618.59</b>	<b>1,004.47</b>

In Lacs

Note No	LONG TERM BORROWINGS	As At	As At	As At	As At
		31-03-2015	31-03-2014	31-03-2015	31-03-2014
4		Non-Current		Current (Refer Note-07)	
	<b>Term Loans</b>				
	(Secured)				
	Rupee Term loans from Banks	1,791.56	2,448.25	660.91	553.51
	Motor Car Loan From Banks	35.48	22.52	11.89	7.62
	<b>From Others (Unsecured)</b>	2,110.00	1,549.44	-	-
	<b>Total Amount</b>	<b>3,937.04</b>	<b>4,020.21</b>	<b>672.80</b>	<b>561.13</b>

NOTE:

- 1) Term loan from State Bank of India, IDBI Bank Ltd., and Punjab and Maharashtra Co-op.Bank Ltd are secured by way of:
- First Pari passu charge on entire fixed assets of the company(both present & future).
  - Second Pari passu charge on entire current assets of the company(both present & future).

In Lacs

Note No	DEFERRED TAX LIABILITY (NET)	As At 31-03-2015	As At 31-03-2014
5	Balance as per Last Balance Sheet	58.56	145.27
	Add:-Transfer during the year	111.24	(86.71)
	<b>Total Amount</b>	<b>169.80</b>	<b>58.56</b>

In Lacs

Note No	SHORT TERM BORROWINGS	As At 31-03-2015	As At 31-03-2014
6	<b>Secured</b>		
	I) Loans Repayable on demand From Banks	3,182.43	3,111.67
	II) Other Short Terms Borrowing From Others Parties	-	25.00
	<b>Total Amount</b>	<b>3,182.43</b>	<b>3,136.67</b>

Note

- 1) Working Capital facilities from State Bank of India, IDBI Bank Ltd and Punjab and Maharashtra Co.op Bank Ltd is secured by
- First Pari Passu charge on the entire current assets of the company(both present & future).
  - Second Pari Passu charge on the entire fixed assets of the company(both present & future).



Note No	OTHER CURRENT LIABILITIES	As at 31-03-2015	As at 31-03-2014
7	a) Current maturities of long-term debt (refer note no.4" Longterm borrowing ")	672.80	561.13
	b) Accrued salaries and benefit	128.07	117.57
	c) Interest accrued and due on borrowings	32.28	35.80
	d) Statutory dues	324.98	163.58
	e) Provision for expenses	128.40	41.89
	<b>Total Amount</b>	<b>1,286.53</b>	<b>919.97</b>

**8) FIXED ASSETS**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01-04-2014	Addition	Deletions	Balance as at 31-03-2015	Balance as at 01-04-2014	Depreciation Charge for the year	Deduction	Balance as at 31-03-2015	Balance as at 31-03-2015	Balance as at 31-03-2014
<b>A) Tangible Assets</b>										
(Not Under Lease)										
Land	54.40	-	-	54.40	-	-	-	-	54.40	54.40
Building	977.69	12.41	-	990.10	304.13	32.84	-	336.97	653.13	673.56
Plant & Machinery	7,235.08	271.71	11.84	7,494.95	2,861.05	348.11	-	3,209.16	4,285.79	4,374.02
Furniture and Fixtures	65.85	1.27	-	67.12	53.55	4.20	-	57.75	9.37	12.30
Motor Care & Vehicles	125.01	40.01	26.47	138.55	78.95	10.79	16.79	72.95	65.60	46.07
Office & Electrical Equipments	165.87	8.06	-	173.93	86.07	8.77	-	94.84	79.09	79.80
Laboratory Equipments	74.36	0.52	-	74.88	30.00	3.54	-	33.54	41.34	44.35
Air Conditioner	16.49	1.48	0.28	17.69	5.35	0.82	0.12	6.05	11.64	11.15
Computer	77.38	7.35	-	84.73	65.67	3.65	-	69.32	15.41	11.71
R/D Equipments	35.39	50.63	-	86.02	4.32	2.68	-	7.00	79.02	31.07
<b>Sub Total</b>	<b>8,827.52</b>	<b>393.44</b>	<b>38.59</b>	<b>9,182.37</b>	<b>3,489.09</b>	<b>415.40</b>	<b>16.91</b>	<b>3,887.58</b>	<b>5,294.79</b>	<b>5,338.43</b>
<b>Total Assets</b>	<b>8,827.52</b>	<b>393.44</b>	<b>38.59</b>	<b>9,182.37</b>	<b>3,489.09</b>	<b>415.40</b>	<b>16.91</b>	<b>3,887.58</b>	<b>5,294.79</b>	<b>5,338.43</b>
<b>Previous Year</b>	<b>8,612.92</b>	<b>237.43</b>	<b>22.83</b>	<b>8,827.52</b>	<b>3,099.57</b>	<b>401.05</b>	<b>11.53</b>	<b>3,489.09</b>	<b>5,338.43</b>	<b>5,513.35</b>

Note No	LONG TERM LOANS AND ADVANCES	As at 31-03-2015	As at 31-03-2014
9	<b>Unsecured and Considered good</b>		
	<b>A) Security Deposits</b>		
	Unsecured and Considered Good	91.02	64.50
	<b>Total Amount</b>	<b>91.02</b>	<b>64.50</b>



Note No.	CURRENT INVESTMENTS	Face Value	Nos of Shares	Amount of Shares (in Lacs)		
		per share (inRs)	Current Year 31.03.15	Previous Year 31.03.14	Current Year 31.03.15	Previous Year 31.03.14
<b>10</b>						
<b>A</b>	<b>Quoted Investments :</b>					
	1 IMP Power Ltd.	10	172,172	172,172	11.62	11.62
	2 Gujarat State Finance Corpn. Ltd.	10	900	900	0.19	0.19
	3 Ajanta Pharma	10	1	1	0.00	0.00
	4 Avon Organics	10	1	1	0.00	0.00
	5 Fine Drugs	10	1	1	0.00	0.00
	6 Hikal Chemicals	10	1	1	0.00	0.00
	7 J. B. Chemicals	2	5	5	0.00	0.00
	8 Kanoria Chem	10	1	1	0.00	0.00
	9 Krebs Biochem	10	1	1	0.00	0.00
	10 Morepen Lab	2	1	1	0.00	0.00
	11 Neuland Lab	10	1	1	0.00	0.00
	12 Orchid Chem	10	1	1	0.00	0.00
	13 Pearl Organics	10	1	1	0.00	0.00
	14 Sun Pharmaceuticals	5	1	1	0.00	0.00
	15 Torrent Pharma	5	4	4	0.00	0.00
	16 Torrent Gujarat	10	1	1	0.00	0.00
	17 Aarti Drugs Ltd	10	5	5	0.00	0.00
	18 Granules Industries	10	1	1	0.00	0.00
	<b>Total (A)</b>		<b>173,099</b>	<b>173,099</b>	<b>11.84</b>	<b>11.84</b>
	Market Value of quoted shares Rs. 1,30,13,458/- Previous year Rs.37,95,178/-					
<b>B</b>	<b>Unquoted Investments :</b>					
	1 National Savings Certificate	-	-	-	1.83	1.82
	2 Shares of Saraswat Co-op Bank Ltd.	-	2,500	2,500	0.25	0.25
	3 Shares of PMC Bank Ltd	-	42,560	18,200	10.10	4.01
	<b>Total (B)</b>		<b>20,700</b>	<b>20,700</b>	<b>12.18</b>	<b>6.08</b>
	<b>TOTAL (A+B)</b>		<b>193,799</b>	<b>193,799</b>	<b>24.02</b>	<b>17.92</b>

Note No	INVENTORIES	As at 31-03-2015	As at 31-03-2014
<b>11</b>	(Valued at lower of cost and net realisable value)		
	Raw Materials	2,425.37	1,089.01
	Packing Materials	17.03	12.65
	Finished Goods	433.00	431.37
	Work-in-Progress	2,858.64	2,114.73
	<b>Total Amount</b>	<b>5,734.04</b>	<b>3,647.76</b>


**In Lacs**

Note No		As at 31-03-2015	As at 31-03-2014
12	<b>TRADE RECEIVABLES</b>		
	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured and Considered Good	4,417.48	2,939.32
	Trade receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured and Considered Good	7.21	29.41
	<b>Total Amount</b>	<b>4,424.69</b>	<b>2,968.73</b>
13	<b>CASH AND CASH EQUIVALENTS</b>		
	A) Cash on Hand	25.37	4.31
	B) Balance with Banks		
	I) In Current Accounts	20.81	2.19
	II) In Deposits Accounts	21.76	3.73
	<b>Total Amount</b>	<b>67.94</b>	<b>10.23</b>
14	<b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured & Considered good)		
	Prepaid Expenses	29.99	16.70
	Loans to employees-staff advances	2.69	2.89
	Balance with statutory / Governments authorities	1,013.79	297.93
	Tax Payments less Provisions	78.75	175.27
	Mat Credit Entitlement	220.48	-
	Others	7.30	4.07
		<b>Total Amount</b>	<b>1,353.00</b>

**In Lacs**

Note No		Year ended 31-03-2015	Year ended 31-03-2014
15	<b>REVENUE FROM OPERATIONS</b>		
	Sale of products	21,727.86	12,615.17
	Sale of Services	-	74.55
	Scrap Sales	11.79	7.51
	Excise duty Rebate/Refund on deemed exports	784.51	19.64
	<b>Revenue from Operations (Gross)</b>	<b>22,524.16</b>	<b>12,716.87</b>
	Less:- Excise Duty	465.77	465.26
	<b>Revenue from Operations (Net)</b>	<b>22,058.39</b>	<b>12,251.61</b>
16	<b>OTHER INCOME</b>		
	<b>1) Exports Benefits</b>		
	a) Duty Drawback Rebate Claim	7.47	16.15
	<b>Total -(I)</b>	<b>7.47</b>	<b>16.15</b>
	<b>II) Others</b>		
	a) House Rent Recd.	3.84	3.88
	b) Disc recd on Sales tax deferred loan	-	3.44
	<b>Total -(II)</b>	<b>3.84</b>	<b>7.32</b>
<b>III) Dividend Recd.</b>			
Total -(III)	1.33	0.90	
	<b>Total Amount (I+II+III)</b>	<b>12.64</b>	<b>24.37</b>



Note No		In Lacs	
		Year ended 31-03-2015	Year ended 31-03-2014
17	<b>COST OF RAW MATERIALS CONSUMED</b>		
	Inventory at the beginning of the year	1,089.01	1,093.49
	Add:- Purchases	18,313.75	8,855.52
		<b>19,402.76</b>	<b>9,949.01</b>
	Less:- Inventory at the end of the year	2,425.37	1,089.01
	Cenvat Availed	653.35	485.12
	<b>Total Amount</b>	<b>16,324.04</b>	<b>8,374.88</b>
18	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
	Inventory at the end of the year		
	Work in Progress	2,858.64	2,114.73
	Finished Goods	433.00	431.37
	<b>Total (A)</b>	<b>3,291.64</b>	<b>2,546.10</b>
	Inventory at the beginning of the year		
	Work in Progress	2,114.73	1,431.11
	Finished Goods	431.37	570.36
	<b>Total (B)</b>	<b>2,546.10</b>	<b>2,001.47</b>
	<b>Increase / (Decrease) in inventories (A-B)</b>	<b>(745.54)</b>	<b>(544.63)</b>
19	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries ,Wages and Bonus	964.39	911.09
	Contribution to -Provident and other funds	85.41	80.31
	Staff welfare expenses	24.76	22.73
	Others	20.64	10.42
	<b>Total Amt</b>	<b>1,095.20</b>	<b>1,024.55</b>
20	<b>FINANCE COST</b>		
	Interest Expenses	699.54	754.62
	Bank Charges	159.32	67.35
	Other Borrowing Costs	169.51	152.24
	<b>Total Amt</b>	<b>1,028.37</b>	<b>974.21</b>
21	<b>OTHER EXPENSES</b>		
	<b>MANUFACTURING EXPENSES</b>		
	Carriage Inward & Freight	20.75	20.16
	Excise Duty diff on Finished & Semi-finished stock	146.85	(20.46)
	Job Work	-	46.02
	Power, Fuel,Electricity& Water	1,189.59	1,087.87
	Repairs and Maintenance	323.80	155.97
	Sales Tax Paid	305.30	168.46
	Laboratory Exps	92.78	78.58
	Pollution Control Exps	177.55	120.47
	Stores and Spares	121.44	99.43
	Testing Fees	18.25	16.67
	<b>Total (A)</b>	<b>2,396.31</b>	<b>1,773.17</b>



In Lacs

Note No		Year ended 31-03-2015	Year ended 31-03-2014
	<b>ADMINISTRATIVE EXPENSES</b>		
	Directors Remuneration	7.20	7.20
	Donation	0.06	0.19
	Insurance Charges	8.82	10.81
	Legal and Professional Fees	44.47	32.47
	Miscellaneous Expenses	37.37	8.93
	Postage and Telegram	6.18	7.77
	Printing and Stationery	25.49	23.17
	Rent,Rates and Taxes	33.24	8.00
	Travelling and Conveyance	35.95	32.85
	Vehicle Expenses	34.59	34.28
	Service charges	14.24	17.74
	Office Expenses	24.56	15.05
	Telephone telex & fax charges	12.66	12.91
	Membership and subscription fees	3.03	1.61
	Registration & Licence Fees	14.47	8.10
	Stamp Duty Expense	5.78	0.49
	Computer Expense	6.49	6.45
	Listing Fees to Stock Exchanges	2.64	1.54
	Profit/Loss on Sale of Asset	7.83	1.63
	<b>Total (B)</b>	<b>325.07</b>	<b>231.19</b>
	<b>AUDITORS REMUNERATION EXPENSES</b>		
	Statutory Audit Fees	1.75	1.75
	Tax Audit Fees	0.80	0.80
	Mvat Audit Fees	-	0.20
	Certification Fees	2.78	1.29
	<b>Total (C)</b>	<b>5.33</b>	<b>4.04</b>
	<b>(Figures Include Net of Service Tax )</b>		
	<b>SELLING AND DISTRIBUTION EXPENSES</b>		
	Advertisement & Sales Promotion	34.08	28.23
	Packing and Forwarding	91.09	83.53
	Carriage Inward & Freight	72.95	87.05
	Sales Commission and Discount	348.62	147.08
	<b>Total (D)</b>	<b>546.74</b>	<b>345.89</b>
	<b>RESEARCH &amp; DEVELOPMENT EXPENSES (UNIT-2)</b>		
	Research & Development Expenses	3.27	3.11
	Salary & Wages	67.49	69.24
	Laboratory Expenses	8.47	9.90
	<b>Total (E)</b>	<b>79.23</b>	<b>82.25</b>
	<b>Total Amount (A+B+C+D+E)</b>	<b>3,352.68</b>	<b>2,436.54</b>
22	<b>Profit / Loss after taxation as per Profit &amp; Loss Account</b>	614.12	(303.92)
	Number of equity shares outstanding	131.78	131.78
	Basic & Diluted Earnings per share in rupee (Equity Shares of Rs .10/-Each)	<b>4.66</b>	<b>(2.31)</b>



**Note No. 23. CONTINGENT LIABILITIES:**

	PARTICULARS	CURRENT YEAR Amount in Rs	PREVIOUS YEAR Amount in Rs.
<b>A)</b>	<b>Performance Guarantees/ Bonds</b>		
	(i) Guarantee executed in favor of Assistant Collector of Customs	17,68,867	-
	(ii) Guarantee executed in favor of Export Parties.	68,300	68,300
	(iii) Guarantee executed in favor of Central Excise	8,49,750	14,87,063
<b>B)</b>	<b>Others</b>		
	(iv) Guarantee given to GSPC Gas Co Ltd	72,58,388	75,12,591
	(vi) Guarantee given to GPCB	2,00,000	7,00,000

**Note No.24. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY**

PARTICULARS	CURRENT YEAR Amount in lacs	PREVIOUS YEAR Amount in lacs
(i) Raw Materials	12848.10	4787.75
(ii) Commission on Exports & Imports	24.78	16.62
(iii) Travelling Expenses	5.91	4.43
(iv) Earnings in foreign currency on export of goods on CIF basis (Including deemed exports)	5787.86	3718.65

**Note No.25. CONSUMPTION OF RAW MATERIAL**

PARTICULARS	%	VALUE (RS. IN LAKHS)
(i) Imported	71	11651.39
	(58)	(4844.16)
(ii) Indigenous	29	4672.65
	(42)	(3530.72)

**Note No.26. CAPACITIES, PRODUCTION AND SALES (As Certified by Management)**

Description of products	Licensed Capacity	Installed Capacity(Tons)	Production (Tons)
Bulk Drugs & Intermediates	N.A. (N.A.)	600 (600)	483.23 (427.54)

NOTE: 1) Installed Capacity varies depends on the product-mix manufactured by the company From year to year and accordingly figures of Installed Capacity have been regrouped Wherever necessary.

**Note No.27.SALES AND STOCKS (QTY. IN TONS AND VALUE IN LACS)**

Particulars	Opening Stock		Sales		Closing Stock	
	QTY	VALUE	QTY	VALUE	QTY	VALUE
1.Bulk Drugs & Intermediates	20.12 (43.82)	431.37 (570.36)	493.53 (451.24)	22058.39 (12251.61)	9.82 (20.12)	433.00 (431.37)

**Note No.28.**

The balances in the accounts of Debtors and Creditors are as appeared in the books of account and subject to confirmation.

**Note No.29**

In the opinion of the Director's Current Assets, Loans and Advances, if realised in ordinary course of the business have on realisation at least the value at which they are stated in the Balance Sheet.

**Note No.30.**

Number of employees in respect of remuneration of Rs. 60,00,000/-P. A. or more if employed throughout the financial year (or Rs. 5,00,000/- if employed for the part of the period) is NIL.

**Note No.31.**

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015.This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note No.32. Segment Information.**

1. Company's operations are predominantly related to the manufacture of bulk drugs, as such there is only one primary reportable segment. Secondary reportable segments are identified taking into account the geographical markets available to the products.

## Secondary Segments – Geographical Segments

Sr. No.	PARTICULARS	DOMESTIC	EXPORT	TOTAL
1	Segment revenue by geographical area based on geographical location of customers (including sales, service, export incentives, etc.	16270.53	5787.86	22058.39

Certain assets of the company are used by different segments for different portion of the accounting period; hence the value of the assets cannot be allocated to the segments.

**Note No. 33.**

Related party disclosures as required by Accounting Standard – AS 18 “Related parties disclosures” issued by Institute of Chartered Accountants of India are given below:

- A) Associate Companies and others.
- Raga Organics Private Ltd.
  - Mangalam Laboratories Pvt. Ltd.
- B) Key Management Personnel
- Shri Govardhan M. Dhoot
  - Shri Subhash C.Khattar
  - Shri Rajendraprasad K. Mimani (Resigned as Director w.e.f 02.02.2015)
  - Smt Meenal Sukhani.(Appointed as Director w.e.f 21.10.2014)
  - Shri Brijmohan M.Dhoot(Appointed as Director w.e.f 02.05.2015)

Details of Transactions are as below:

Particular	Associates Company & others	Key Management Personnel	Total (in Lacs)
Remuneration	-	7.20	7.20
Rent paid	-	1.25	1.25
Outstanding Balance			
- Payable	2110.00	-	2110.00
- Rent deposit	-	7.00	7.00
- Sitting Fees	-	0.24	0.24

**Note No. 34. Employee Benefits:-**

Defined benefit plan as per actuarial valuation on March 31, 2015

I	Expense recognized in the statement of Profit & Loss for the year ended March 31, 2015	Current year	Previous year
1	Current Service Cost	9,76,230.00	8,15,931.00
2	interest Cost	7,58,698.00	6,49,875.00
3	Expected return on plan assets	(8,09,718.22)	(7,45,869.28)
4	Net Auctorial gain/loss recognized in the year	1,14,975.00	5,15,717.00
5	Expenses Recognized in statement of P & L	10,40,184.00	12,35,654.00
II	Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2015		
1	Present value of obligations as at the end of year	1,01,43,741.25	94,83,724.00
2	Fair value of plan assets as at the end of the year	1,03,08,139.25	94,88,671.00
3	Funded status	1,64,398.00	4947.00
4	Net asset/liability recognized in balance sheet	1,64,398.00	4947.00
III	Change in obligation during the year ended March 31, 2015		
1	Present value of obligation as at beginning of year	94,83,724.00	81,23,436.00
2	Interest Cost	7,58,698.00	6,49,875.00
3	Current Service Cost	9,76,230.00	8,15,931.00



4	Benefits paid	(11,89,885.75)	6,21,235.00
5	Actuarial gain /loss on obligations	1,14,975.00	5,15,717.00
6	Present value of obligation as at end of year	1,01,43,741.25	94,83,724.00
<b>IV Change in assets during the year ended March 31,2015</b>			
1	Fair value of plan assets at beginning of year	94,88,671.00	75,38,208.00
2	Expected return on plan assets	(8,09,718.20)	(7,45,869.28)
3	Contributions	12,17,636.03	18,25,828.72
4	Benefits paid	11,89,885.75	(6,21,235.00)
5	Actuarial gain /loss on Plan Assets		-
6	Fair value of plan assets at the end of year	1,03,08,139.25	94,88,671.00
<b>V The major categories of plan assets as a percentage of total plan</b>			
	Qualifying Insurance Policy	100%	100%
<b>VI Actuarial Assumptions</b>			
1	Discount Rate	8%	8%
2	Salary Escalation	6%	6%
3	Employee Turnover rate	-	-

**Note No. 35.**

Previous year figures have been regrouped/restated wherever necessary to confirm with this periods classification.

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: **MILWANI ASSOCIATES**

Membership No: 36099

Firm Registration No: 106405W

**For and on behalf of the Board of Directors**

(Shri Govardhan M.Dhoot)  
Chairman

(Shri Subhash C.Khattar)  
Director

(Ajay Samant)  
Chief Financial Officer

Place : Mumbai

Date : 15<sup>th</sup> May 2015



**MANGALAM DRUGS AND ORGANICS LIMITED**

(CIN: L24230MH1972PLC116413)

Registered Office: Rupam Building, 3<sup>rd</sup> Floor, 239, P. D'Mello Road Mumbai – 400001 • Phone: 91-22-22616200 / 6300/8787 • Fax: 91-22-2619090  
Email: contactus@mangalamdrugs.com • Website: http://www.mangalamdrugs.com

**ATTENDANCE SLIP**

**42<sup>st</sup> Annual General Meeting**

**Please fill in this attendance slip and hand it over at the entrance of the meeting hall.**

**NAME AND ADDRESS OF THE SHAREHOLDER**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Folio No. \_\_\_\_\_

DP ID. \_\_\_\_\_

Client ID. \_\_\_\_\_

No of Shares held \_\_\_\_\_

I/ We hereby record my/ our presence at the 42nd Annual General Meeting of the Company to be held at M.C. GHIA HALL, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Bldg., 4th Flr., 18/20 K. Dubash Marg, Kala Ghoda, Mumbai – 400001 on Thursday, the 03rd September 2015 at 11.30a.m.

SIGNATURE OF SHAREHOLDER/PROXY \* \_\_\_\_\_

**\*Strike out whichever is not applicable**



## MANGALAM DRUGS AND ORGANICS LIMITED

(CIN: L24230MH1972PLC116413)

Registered Office: Rupam Building, 3<sup>rd</sup> Floor, 239, P. D'Mello Road Mumbai – 400001 • Phone: 91-22-22616200 / 6300/8787 • Fax: 91-22-2619090  
Email: contactus@mangalamdrugs.com • Website: http://www.mangalamdrugs.com

### PROXY FORM

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

Name of the member (s) : .....

Registered address:.....

Email-id:..... Folio No. / DP ID-Client ID.....

I/We, being the member (s) of ..... shares of the **MANGALAM DRUGS & ORGANICS LIMITED**, hereby appoint:

1. Name: ..... of ..... having an E-mail ID: ....., failing him / her;
2. Name: ..... of ..... having an E-mail ID: ....., failing him / her;
3. Name: ..... of ..... having an E-mail ID: ....., failing him / her;

Whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **42nd General Meeting** of the Company, to be held on **Thursday the 03<sup>rd</sup> day of September, 2015 at 11:30 A.M.** at M.C. GHIA HALL, Indian Textile Accessories & Machinery Manufacturers' Association, BhogilalHargovindas Bldg., 4th Flr., 18/20 K.Dubash Marg, Kala Ghoda, Mumbai – 400001 and at any adjournment thereof in respect of the resolutions as indicated below::

Sr. No.	RESOLUTION	Optional*	
		For *	Against *
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2.	Re-appointment Of Mr. Govardhan Murlidhar Dhoot, who retires by rotation.		
3.	Ratification of appointment of M/s. Milwani Associates, Chartered Accountants, as Auditors and to fix their remuneration		
4.	Ratification of remuneration of M/s Ankit Kishor Chande, Cost Accountants as Cost Auditors for the year 2015-16.		
5.	Appointment of Ms. Meenal Sukhani as an Independent Director for a term upto five years with effect from 02 May 2015.		
6.	Appointment of Mr. Brijmohan Dhoot as Non-Executive Director liable to retire by rotation.		
7.	Special resolution under section 196,197, 203 of the Companies Act, 2013 for re-appointing Mr. Goverdhan M Dhoot as Managing Director.		
8.	Special resolution for increase in authorised capital of the Company from Rs. 20,00,00,000 (Rupees Twenty crores) to Rs. 30,00,00,000 (Rupees Thirty Crores).		
9.	Special resolution for creating issuing and offering 26,50,000 Warrants of Rs. 65/- each with an option to convert into each warrant into one Equity share of nominal value of Rs. 10/- at a premium of Rs. 55/- to Shri JB Pharma LLP.		

Signed this ..... day of ..... 2015.  
(Date) (Month)

Affix  
Revenue  
Stamp

Signature of Shareholder(s)

Signatures of:

.....  
First Proxy Holder

.....  
Second Proxy Holder

.....  
Third Proxy Holder

**Notes:- (1) This 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.**

- (2) For the Resolutions, Explanatory statement and Notes, please refer to the Notice of the 42nd Annual General Meeting.
- (3) It is optional to put a 'x' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.

**MANGALAM DRUGS AND ORGANICS LIMITED****(CIN: L24230MH1972PLC116413)**Registered Office: Rupam Building, 3<sup>rd</sup> Floor, 239, P. D'Mello Road Mumbai – 400001 • Phone: 91-22-22616200 / 6300/8787 • Fax: 91-22-2619090  
• Email: contactus@mangalamdrugs.com • Website: http://www.mangalamdrugs.com**ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS  
42nd AGM – 03rd September 2015 - in lieu of e-voting)**

1. Name(s) & Registered Address :  
of the sole / first named Member
2. Name(s) of the Joint-Holder(s), If any :
3. i) Registered Folio No. :  
ii) DP ID No. & Client ID No. :  
[Applicable to Members  
holding shares in dematerialised form]
4. Number of Share(s) held :
5. I / We hereby exercise my / our vote in respect of the following resolution(s) to be passed for the business stated in the Notice of the Annual General Meeting dated September 3<sup>rd</sup>, 2015, by conveying my / our assent or dissent to the resolution(s) by placing tick (✓) mark in the appropriate box below:

RESOLUTIONS		No. of Share(s)	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
<b>Ordinary Business</b>				
1.	Adoption of Audited Financial Statements for the year ended March 31, 2015 and Reports of Board of Directors and Auditors thereon.			
2.	Re- appointment of Mr. Govardhan Murlidhar Dhoot, who retires by rotation and being eligible, offers himself for re- appointment			
3.	Ratification of appointment of M/s. Milwani Associates, Chartered Accountants, as Auditors and to fix their remuneration			
<b>Special Business</b>				
4.	Ratification of remuneration of M/s Ankit Kishor Chande, Cost Accountants as Cost Auditors for the year 2015-16.			
5.	Appointment of Ms. Meenal Sukhani as an Independent Director for a term upto five years with effect from 02 May 2015.			
6.	Appointment of Mr. Brijmohan Dhoot as Non-Executive Director liable to retire by rotation			
7.	Special resolution under section 196,197, 203 of the Companies Act, 2013 for re-appointing Mr. Goverdhan M Dhoot as Managing Director.			
8.	Special resolution for increase in authorised capital of the Company from Rs. 20,00,00,000 (Rupees Twenty crores) to Rs. 30,00,00,000 (Rupees Thirty Crores).			
9.	Special resolution for creating issuing and offering 26,50,000 Warrants of Rs. 65/- each with an option to convert into each warrant into one Equity share of nominal value of Rs. 10/- at a premium of Rs. 55/- to Shri JB Pharma LLP.			

Place:

Date:

\_\_\_\_\_  
Signature of the Member  
or  
Authorised Representative

- Notes:** (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.  
(ii) Last date for receipt of Assent/Dissent Form: September 2<sup>nd</sup>, 2015 (5.30 pm)  
(iii) Please read the instructions printed overleaf carefully before exercising your vote.



## INSTRUCTIONS

### General Instructions

1. As per the Companies Act, 2013, and Clause 35B of the Listing Agreement, the Company has to provide e-voting facility to its shareholders; however the shareholders, who do not have access to e-voting facility may convey their Assent / Dissent in Physical Assent / Dissent Form. If a shareholder has opted for e-voting, then he/she should not vote by Physical Assent / Dissent Form. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote casted through e-voting shall be considered, and vote casted through physical assent/dissent shall not be considered.
2. The notice of 42nd Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on 31 July, 2015 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.

### Instructions for voting physically on Assent / Dissent Form

1. Member desiring to exercise vote by Assent / Dissent Form should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Manish Baldeva, Practicing Company Secretary at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. September 02, 2015 (5.30 pm). All Forms received after this date and time will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. To avoid fraudulent transactions, the identity / signature of the members holding shares in electronic / demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Link IntimeIndia Private Limited). Members are requested to keep the same updated.
4. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
5. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
6. Members are requested to fill the Form in ineradicable ink and avoid filling it by using erasable writing medium(s) like pencil.
7. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
8. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
9. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form excepting giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
10. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
11. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

BY COURIER

*If undelivered, please return to:*



(Formerly INTIME SPECTRUM REGISTRY LTD)

**M/s. Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound, L B S Marg,  
Bhandup (West), Mumbai - 400 078.