

# **43<sup>rd</sup> Annual Report 2015 - 2016**



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

## Unit 2 duly Renovated and Expanded



**Admin Block**



**Production Block**



**Quality Control Block**



## BOARD OF DIRECTORS

- GOVARDHAN M. DHOOT – CHAIRMAN & MANAGING DIRECTOR  
 SUBHASH C. KHATTAR – INDEPENDENT DIRECTOR  
 MEENAL SUKHANI – INDEPENDENT DIRECTOR (Resigned w.e.f Closure of Business hours on 16.05.2016)  
 BRIJMOHAN M. DHOOT – NON - EXECUTIVE DIRECTOR  
 ANURADHA SUKHANI – ADDITIONAL DIRECTOR (Appointed w.e.f 16.05.2016)

## CHIEF FINANCIAL OFFICER

Mr. Ajay Samant

## COMPANY SECRETARY

Ms. Nikita Bavishi

## 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

E-Mail: [contactus@mangalamdrugs.com](mailto:contactus@mangalamdrugs.com)

Investors E-mail Id: [investor@mangalamdrugs.com](mailto:investor@mangalamdrugs.com)

Website: <http://www.mangalamdrugs.com>.

## WORKS

### VAPI – UNIT 1

Plot No. 187, GIDC  
 Vapi, Dist. Valsad  
 Gujarat – 396 195

### VAPI – UNIT 2

Plot No. 1203, GIDC  
 Vapi, Dist. Valsad,  
 Gujarat – 396 195

## AUDITORS

M/S Milwani Associates  
 Chartered Accountants  
 Bagaria House, 1<sup>st</sup> Floor,  
 Kolbhat Lane, Mumbai – 400 002

## BANKERS

State Bank Of India

IDBI Bank Ltd

Punjab and Maharashtra Co-Op. Bank Ltd

## REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound  
 L.B.S.Marg, Bhandup (West),  
 Mumbai – 400078  
 Tel No. 91-22-25946970

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## NOTICE

**NOTICE** is hereby given that the Forty-Third Annual General Meeting of the Members of **Mangalam Drugs & Organics Limited** will be held at the Kilachand Conference Room, 2nd Floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai- 400020, on 30<sup>th</sup> September, 2016 at 04.00 P.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, 2016 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 29th 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 31st March, 2017 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. 110,000/- (Rupees One Lac Ten Thousand 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 2016-17, 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. Anuradha Sukhani (DIN: 07543091), who was appointed as an Additional Director Independent of the Company by the Board of Directors with effect from 16<sup>th</sup> May, 2016 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 16<sup>th</sup> May, 2016 till 15<sup>th</sup> May 2021."
6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Special Resolution**:  
"**RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("**the Act**"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, and pursuant to the approvals of the Nomination and Remuneration Committee and the Board, the approval of the Company be and is hereby accorded for increase in the remuneration of Shri Govardhan M Dhoot (DIN: 001240086), Managing Director of the Company to Rs. 20,00,000 p.a with effect from 01<sup>st</sup> October, 2015 for the remaining period of his present term of appointment upto 31<sup>st</sup> October, 2019 with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, in consonance with the provisions of the Act.  
"**FURTHER RESOLVED THAT** the remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) shall not exceed the limits laid down in section 197 of the Act read with Schedule V to the Act, including any statutory modification(s) or re-enactment thereof.  
"**FURTHER RESOLVED THAT** subject to the provisions of the Companies Act, 2013, in the event of loss or inadequacy of profits, the remuneration payable to Shri Govardhan M Dhoot, Managing Director will be as per the Schedule V of the Companies Act, 2013."



“**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee of the Board be and is hereby authorised to approve the terms and conditions including any changes in the remuneration and do all such other acts, deeds and things which are necessary and incidental in order to give effect to this resolution

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: 01<sup>st</sup> August, 2016

**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, 5 & 6 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 24<sup>th</sup> September 2016 to 30<sup>th</sup> September 2016 (both days inclusive) for the purpose of Annual General Meeting.
5. The Annual Report of the Company for the year 2015-2016 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/attendance 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 43<sup>rd</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-Voting along with the Attendance Slip & Proxy Form and the Annual Report for 2015-2016 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. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise



their right to vote at the 43rd AGM by electronic means and all the items of the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23<sup>rd</sup> September, 2016, may cast their vote by electronic means or in the AGM.

The information with respect to Voting process and other instructions regarding e-voting are detailed further as Instructions for Electronic Voting.

The voting rights of the members shall be in proportion to the paid up value of their shares in the equity capital of the Company as on the cut off date i.e. 23<sup>rd</sup> September, 2016.

15. The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e voting.
16. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
17. Mr. Manish Baldeva, Practicing Company Secretary has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith. The result declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www. mangalamdrugs.com and on the website of CDSL immediately after the result is declared by the Chairman and the same shall be simultaneously communicated to the BSE Limited and National Stock Exchange of India Limited.
14. Details of the Directors seeking appointment / re-appointment at the 43<sup>rd</sup> Annual General Meeting required by Listing Regulations with the Stock exchanges is given below:

1.	<b>Name</b>	<b>MR. GOVARDHAN DHOOT (DIN: 01240086)</b>	<b>Mrs. ANURADHA SUKHANI (DIN: 07543091)</b>
2.	Date of Birth	21 <sup>st</sup> October 1953	14 <sup>th</sup> December, 1972
3.	Educational Qualification	Commerce Background	Bachelor of Arts in Psychology
4.	Date of appointment on the Board	16 <sup>th</sup> April 1996	16 <sup>th</sup> May, 2016
5.	Category of Director	Chairman & Managing Director	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 & Commercial Capitals all over the world.	She has been a partner in Sourcing Solutions since 2002. It Runs a buying agency for leather goods. Product was sourced from leather manufacturers all over India and exported to niche markets in Northern Europe (Sweden, Finland, Germany, Amsterdam, Denmark).
7.	List of other Directorships held	1. Beanstalk Retail Private Limited	NIL
8.	Name of Committees in which Chairman	NIL	NIL
9.	Name of Committees in which Member	Audit Committee and Stake holders Relationship Committee of & CSR Committee–Mangalam Drugs & Organics Limited	Audit Committee and Nomination and Remuneration Committee Committee of–Mangalam Drugs & Organics Limited
10.	Number of shares held in the Company.	667,122 equity shares.	Nil
11.	Disclosure of Relationship	Shri. Govardhan M Dhoot is brother of Shri. Brijmohan M Dhoot of the Company	Mrs. Anuradha Sukhani is not related to any Director 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: 01<sup>st</sup> August, 2016



## 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 2016-17 at a remuneration of Rs.110,000/- (Rupees One Lacs Ten Thousand 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 2016-17. 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 No. 5

Ms. Anuradha Sukhani was appointed as an Additional Director – Independent by the Board of Directors on 16<sup>th</sup> May, 2016 to hold the office for a period of 5 years from 16<sup>th</sup> May, 2016 till 15<sup>th</sup> May, 2021, 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 Regulations 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. Anuradha 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 Regulations.

If appointed, Ms. Anuradha 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. Anuradha Sukhani is concerned or interested, financial or otherwise, in the resolution set out at item no. 5.

#### Item No. 6

Shri Govardhan M Dhoot was re-appointed as Managing Director by way of a special resolution passed by the members at the 42<sup>nd</sup> Annual General Meeting of the Company held on 03<sup>rd</sup> September, 2015 with effect from 01<sup>st</sup> November, 2014 for period of five years upto 31<sup>st</sup> October, 2019.

Shri Govardhan M Dhoot has, during his tenure, contributed immensely for the business activities of the company and has guided the company in its expansion activities. Considering the increased scope of work and the prevalent standards in the industry for payment of professional Directors of such experience, the Board, on the recommendation of the Nomination and Remuneration Committee proposes to increase the remuneration payable to Shri Govardhan M Dhoot as stated in the Resolution. The other terms and conditions of appointment remain unchanged. The Members may note that based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 21<sup>st</sup> October, 2015 approved the increase of remuneration of Shri Govardhan M Dhoot, Managing Director of the Company under the provisions of the Companies Act, 2013 to Rs. 20,00,000 p.a w.e.f. 01<sup>st</sup> October, 2015 on the terms and conditions as set out hereunder, subject to the approval of the members.

Schedule V of the Companies Act, 2013 determines the limit of payment of managerial remuneration by companies in case of loss or inadequacy of profit, in any financial year and inter alia requires approval of Members by way of Special resolution. Accordingly, in case of inadequacy of profits, the Company can, after approval of members, pay remuneration to managerial personnel double the limits defined in Schedule V- Part II- Section II without the approval of the Central Government.

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

2. **Remuneration:**

a) **Salary:** Rs.20,00,000 p.a .

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. Shri. 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 entered into by the Company with the Managing Director can be terminated by the company or by Shri. Govardhan M. Dhoot, by giving to the other three months' notice in writing.

The said agreement 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 M Dhoot, being his brother is concerned or interested, financially or otherwise, in the resolution set out at item no.6.





## INSTRUCTIONS FOR ELECTRONIC VOTING (E-VOTING)

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, applicable secretarial standard and the listing regulation, 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 43<sup>rd</sup> Annual general Meeting of the Company. The Company has appointed Mr. Manish Baldeva, Practicing Company Secretary to act as scrutinizer for conduction scrutiny of the votes cast.

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

- (i) The voting period begins on 27<sup>th</sup> September, 2016, 09.00 A.M and ends on 29<sup>th</sup> September, 2016, 05.00 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 (record date) of 23<sup>rd</sup> September, 2016 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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**



**(xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## DIRECTORS' REPORT

To,  
The Members of  
Mangalam Drugs & Organics Ltd

The Directors have pleasure in presenting to you their Forty -Third Annual Report together with Company's Audited Financial Statement for the accounting year ended 31<sup>st</sup> March 2016.

### 1. FINANCIAL RESULT

(Rs. In Lacs)

Particulars	2015-2016	2014-2015
Revenue from operations	29502.18	22058.39
Other Income	15.91	8.80
Profit before Finance Expenses, Depreciation & Amortizations	3772.08	2044.65
Less: Depreciation & Amortizations	441.30	415.40
Finance Expenses	929.18	1028.37
<b>Profit / (Loss) before tax</b>	<b>2401.60</b>	<b>600.88</b>
Provision for Deferred Tax	798.29	(13.24)
<b>Profit / (Loss) after tax</b>	<b>1603.31</b>	<b>614.12</b>
<b>Balance b/f. from previous year</b>	<b>(240.49)</b>	<b>(854.61)</b>
Additional Depreciation on Fixed Assets	(15.54)	-
<b>Balance carried to Balance Sheet</b>	<b>1347.28</b>	<b>(240.49)</b>

### 2. ISSUE OF EQUITY SHARES/SHARE WARRANTS

In terms of Shareholders's Approval at the 42<sup>nd</sup> Annual General Meeting held on 03<sup>rd</sup> September, 2015 the company on 28<sup>th</sup> September 2015 issued and allotted 26,50,000 preferential share warrants to the promoter group at the price of Rs. 65/- per warrant, entitling the holder of such warrant to apply for and obtain one Equity share of face value of Rs. 10/- each fully paid up against each such warrant on or before the expiry of 18 months from the date of allotment. 25% of the said price of warrant was paid on subscription and balance 75% is to be paid anytime upon exercise of entitlement to convert into equity shares as stated above. On 16<sup>th</sup> November, 2015 the promoter group partially exercised their entitlement to convert 1200000 warrants into equivalent number of equity shares as per the terms of issue and paid the balance price thereon. As a result of this, the issued, subscribed and paid up capital of the company has increased from Rs. 1317.82 lakhs in FY 2014-15 to Rs. 1437.82 lakhs in FY 2015-16. The balance 14,50,000 warrants were converted into equity shares on 10<sup>th</sup> June, 2016 as per the terms of issue and paid the balance price thereon.

### 3. DIVIDEND

The company does not propose to declare any dividend this year, since it is under restructuring and as per the restructuring terms with the banks, no dividend can be declared by the Company. During the year, we have made significant investments in the new project at Unit-2, Vapi. All these investments have been funded out of internal accruals.

### 4. STATE OF COMPANY AFFAIRS

During the year under review, the Company earned a total income of Rs. 29518.09 Lacs compared to Rs. 22067.19 Lacs in the previous year an increase of 33.76%. The company has made a profit after tax of Rs. 1603.31 Lacs as against Rs.614.12 Lacs an increase of 161.07%. The Company has achieved export turnover of Rs. 4916.54 Lacs as against Rs. 5787.85 Lacs in the previous year. Constant efforts are being made to increase the export. The Company is continuously exploring avenues to increase exports to various countries.

### 5. FUTURE OUTLOOK

There is very little change in global recessionary pressures over past years. The next fiscal year too anticipates a diligent approach in order to maintain the progressive tempo we have maintained in past. Besides HIV segment your company has undertaken projects to introduce HCV (anti hepatitis C) APIs. The Company has upgraded its facilities at Unit-2 and will be applying for WHO Geneva GMP approval for the same. The Company also plans to go for USFDA approval for this facilities in the near future. We remain committed to continue with robust regulatory strategy, the prudent partnering and continuous resource restructuring activities in the future.

### 6. 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.

### 7. 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 11, 15 and 24 to the Financial Statements.

**8. 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.

**9. 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.

**10. PARTICULARS OF EMPLOYEE**

The total number of permanent employees as on 31st March, 2016 stood at 311. 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, 2016.

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. Govardhan Murlidhar Dhoot	5.44
Mr. Subhash Khattar	0.17
Ms. Meenal Sukhani	0.14
Mr. Brijmohan Murlidhar Dhoot	0.06

**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	Designation	% increase in remuneration in the financial year
Mr. Govardhan Murlidhar Dhoot	Chairman & Managing Director	88.89%
Mr. Subhash Khattar*	Independent Director	14.28%
Ms. Meenal Sukhani* <sup>@</sup>	Independent Director	Nil
Mr. Brijmohan M Dhoot <sup>#</sup>	Non- Executive Director	Nil
Mr. Ajay Samant	Chief Financial Officer	3.53%
Ms. Nikita Bavishi <sup>#</sup>	Company Secretary	Nil

\* Entitled for Sitting fees of Rs. 2000 for attending each Board, Audit Committee, Nomination & Remuneration Committee and Independent Directors Meeting

@ Not comparable as she was a director only for the part of the year during 2014-15

# Has been appointed in 2015-16, hence % increase cannot be calculated

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

Median remuneration change is increased by 13.64%

**d. The number of permanent employees on the rolls of Company: 311****e. The explanation on the relationship between average increase in remuneration and Company performance:**

The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the Company to retain its industry competitiveness.

The rise in case of Shri Govardhan M Dhoot should be viewed considering the fact that the remuneration paid to him as a Managing Director was comparatively very low in the previous years and also the rise in the profit before tax of the Company which is increased by 299.68% in the F.Y 2015-16.

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

Aggregate remuneration of KMP in the financial year 2016 (Rs. In lakh)	28.80
Revenue (Rs. In lakh)	29502.18
Remuneration of KMP (as % of Revenue)	0.10
PBT (Rs. In lakh)	2401.60
Remuneration of KMP (as % of Revenue)	1.20



- 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	2015-16	2014-15	% Change
Price Earning Ratio	22.75	5.69	299.82%
Market Capitalisation	3647761517.60	349173354	944.68%

- 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, 2016	IPO (April 19, 2005)	% Change
Market Price (BSE)	253.70	22	1053.18
Market Price (NSE)	253.30	22	1051.36

- 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 18.18%.

This is based on Remuneration policy of the Company that rewards people differentially based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relativities are taken care of.

The increase in managerial remuneration is 88.89%. The rise in case of Managerial Remuneration should be viewed considering the fact that the remuneration paid to him as a Managing Director was comparatively very low in the previous years and also the rise in the profit before tax of the Company which is increased by 299.68% in the F.Y 2015-16. Also the company continues to grow both in size and stature as is evident from the enhanced performance levels under the leadership of Shri Govardhan M Dhoot.

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

	Mr. Govardhan M Dhoot	Mr. Ajay Samant, CFO	Ms. Nikita Bavishi, CS
Aggregate remuneration of KMP in the financial year 2016 (Rs. In Lakhs)	13.60	12.60	2.60
Revenue (Rs. In lakh)	29502.18	29502.18	29502.18
Remuneration of KMP (as % of Revenue)	0.05	0.04	0.01
PBT (Rs. In lakh)	2401.60	2401.60	2401.60
Remuneration of KMP (as % of PBT)	0.57	0.52	0.11

- 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 0.82%.

- 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.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### (a) Directors

The Board of Directors of the Company is led by the Executive Chairman and comprises of three other Directors as on 31st March, 2016, including two Independent Directors which includes one Woman Director as required under Section 149 (1) of the Companies Act, 2013 and one Non-Executive Director (other than Independent Directors). The composition of the Board is in conformity with the provisions of the Act and Regulation 17 of the Listing Regulations entered into with the Stock Exchanges.

All the Independent Directors of the Company have furnished declarations that they meet the criteria of independence as prescribed under the Companies Act, 2013 and under Listing Regulations.

At the Annual General Meeting of the Company held on 03<sup>rd</sup> September, 2015, the members approved the appointment/reappointment of –

- Re-appointment of Mr. Govardhan M Dhoot (holding DIN 01240086) as a Chairman & Managing Director of the Company for a term of five years starting from 01<sup>st</sup> November, 2014.
- Appointment of Ms. Meenal Sukhani (holding DIN 06840007) as an Independent Director of the Company for a term of five years from 02<sup>nd</sup> May, 2015.
- Appointment of Mr. Brijmohan M Dhoot (holding DIN 01046420) as a Director- Non Executive of the Company, liable to retire by rotation.



Ms. Meenal Sukhani, Non-Executive & Independent Director of the Company, resigned from the Board of the Company w.e.f. the closure of business hours on May 16, 2016 due to personal reasons. The Board placed on record its appreciation for the contribution made by her during her tenure as Director of the Company.

The Board of Directors, on recommendation of the Nomination and Remuneration Committee, appointed Ms. Anuradha Sukhani as an Additional Director in the category of Independent Director w.e.f. May 16, 2016 who shall hold the office till the forthcoming Annual General Meeting (“AGM”) and is eligible for appointment at the AGM. The appointment of Ms. Anuradha Sukhani as an Independent Director for the period of 5 years w.e.f. May 16, 2016 is subject to approval of the Members of the Company at the ensuing AGM.

Mr. Govardhan M Dhoot (holding DIN 01240086) Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

**(b) Meetings Of Board Of Directors**

During the year, 12 (twelve) meetings of the Board of Directors were convened and held on 08<sup>th</sup> April 2015, 02<sup>nd</sup> May 2015, 15<sup>th</sup> May 2015, 22<sup>nd</sup> June 2015, 04<sup>th</sup> August 2015, 06<sup>th</sup> August 2015, 04<sup>th</sup> September 2015, 28<sup>th</sup> September 2015, 21<sup>st</sup> October 2015, 16<sup>th</sup> November 2015, 14<sup>th</sup> January 2016 and 05<sup>th</sup> March, 2016. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. Detailed information on the meetings of the Board is included in the Corporate Governance Report which forms part of the Annual Report.

**(c) Committees of the Board**

There are currently 4 (Four) Committees of the Board, as follows:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders’ Relationship Committee
- (iv) Corporate Social Responsibility Committee

During the financial year ended March 31, 2016, the Board re-constituted Nomination and Remuneration Committee in accordance with the Act and the Listing Regulations.

Details of all the Committees along with their terms of reference, composition and meetings of each Committee held during the year, are provided in the Corporate Governance Report, annexed to this Report.

**(d) Key Managerial Personnel**

Pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Act, the key managerial personnel of the Company are Mr. Govardhan M Dhoot – Managing Director, Mr. Ajay Samant- Chief Financial Officer and Ms. Nikita Bavsihi\* – Company Secretary.

\*At the Board Meeting held on 04th September, 2015, Ms. Nikita Bavsihi was designated as the Company Secretary “ Key Managerial Personnel” of the Company w.e.f 05<sup>th</sup> September, 2015.

**12. 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 & Remuneration 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.

**13. ANNUAL EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and meets the requirement of the Company.

**14. 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 as on March 31, 2016 comprises of the following Directors:

Mr. Subhash C Khattar - Chairman, Ms. Meenal Sukani- Independent Director and Mr. Govardhan M Dhoot- Managing 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.

**iii. Prevention of Sexual Harassment Policy**

During the year 2015-2016, NIL complaints were received by the Company related to sexual harassment.

**15. 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



## 16. MATERIAL EVENTS AFTER BALANCE-SHEET DATE

On 10th June, 2016 the promoter group exercised their entitlement to convert the balance 1450000 warrants into equivalent number of equity shares as per the terms of issue and paid the balance price thereon. As a result of this, the issued, subscribed and paid up capital of the company has increased from Rs. 1437.82 lakhs to Rs. 1582.82 lakhs.

## 17. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that :

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- b) that they have selected such accounting policies and applied them consistently and made judgments 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 the Company for that period;
- c) they have 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) they have prepared the Annual Accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that, such systems were adequate and operating effectively.

## 18. AUDITORS AND AUDITORS' REPORT

### i. Secretarial Auditors

The Board, pursuant to section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof, had during the year, appointed Mr. Ankit Sethi., Practising Company Secretary, to conduct secretarial audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is attached herewith marked as Annexure V to this report.

### 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 41<sup>st</sup> 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 2016-17.

There are no qualifications in the audit report for financial year 2015-16.

### 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, 2016.

## 19. CORPORATE GOVERNANCE

As required by Regulation 34 read with schedule V of the Listing Regulations, a separate Report on Corporate Governance forms part of the Annual Report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations forms a part of this Report as Annexure II.

## 20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## 21. 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.

## 22. 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 34 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>

## 23. 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

**sd**  
**Shri. Govardhan M. Dhoot**  
Chairman & Managing Director  
DIN NO:01240086

Place: Mumbai

Dated: 01<sup>st</sup> August, 2016

**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<sup>st</sup> March 2016**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**

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

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

- i. Optimal utilization of resources for the global market.
- ii. We are the first company to feature on WHO's API prequalification programme.
- iii. 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**

- i. Development of frontline antimalarial and antiviral API and their intermediates.
- ii. Additional investment in state-of-the-art analytical instrumentation and plant machinery to boost quality and cost efficiencies.
- iii. Generate a panel of novel antimalarial candidate compounds by Anagrammatic approach for screening against resistant malarial parasite strains.
- iv. 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	34.30	50.63
Recurring	128.19	79.23
<b>Total</b>	<b>162.49</b>	<b>129.86</b>

**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)	<b>4916.54</b>	<b>5787.86</b>
<b>Foreign Exchange Outgo</b>		
(i) Raw material	17076.02	12848.10
(ii) Commission	60.44	24.78
(iii) Travelling Expenses	13.82	5.91
<b>Total Foreign exchange outflow</b>	<b>17150.28</b>	<b>12878.79</b>

For and on behalf of the Board of Directors

Sd/-

**Shri. Govardhan M. Dhoot**  
Chairman & Managing Director  
DIN NO: 01240086

Place: Mumbai  
Dated: 01<sup>st</sup> August, 2016





## ANNEXURE II TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

Your Directors present the Report on Corporate Governance in accordance with Regulation 34 read with Schedule V of the Listing Regulations with the BSE Limited and the National Stock Exchange of India Limited for the year ended 31st March 2016.

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

The Company has complied with all the Corporate Governance requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015- "Listing Regulations". 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. The Company's Corporate Governance philosophy has been further strengthened through the Company's Code of Conduct for Prevention of Insider Trading and its Whistle Blower Policy.

#### 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 Board of Directors comprises of four Directors as on 31st March, 2016 of which 1 Director is Executive Director, 2 Directors are Non-Executive and Independent Directors (including 1 Woman Director) and 1 Non Executive Non Independent Director. 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, 2016:

Name of Director(s)	Category of Directorship	No. of other directorship held #	No. of Committee membership in other companies #	No. of Board Meetings attended	Attend-ance at last AGM
Mr. Govardhan M. Dhoot	Chairman & Executive	0	0	12	Yes
Mr. Subhash C. Khattar	Non-Executive & Independent	0	0	11	Yes
Ms. Meenal Sukhani*	Non Executive & Independent	0	0	7	Yes
Mr. Brijmohan M Dhoot**	Non Executive and Non Independent	0	0	11	Yes

\*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<sup>nd</sup> 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 thereafter on 04<sup>th</sup> September, 2015 he was appointed as an Executive Director but later on 21<sup>st</sup> October, 2015 again he was appointed as Non-Executive Non Independent Director.

# These numbers exclude the Directorship / Committee Membership held in the Company and in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013. Further, it includes only the Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee. All Directors have informed the Company about the Committee Positions they occupy in other companies as per Regulation 26 of Listing Regulations, which were placed before the Board.

Except Mr. Govardhan M Dhoot and Mr. Brijmohan M Dhoot, who are related to each other as brothers, none of the other Directors are related to any other Director on the Board in term of

definition of 'relative' as per the Companies Act, 2013.

All Independent Director's of the Company have furnished declarations that they qualify the conditions of being independent as per Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. These were placed before the Board.

There were 12 (twelve) Board meetings held during the year-ended 31.03.2016. These were on 08<sup>th</sup> April 2015, 02<sup>nd</sup> May 2015, 15<sup>th</sup> May 2015, 22<sup>nd</sup> June 2015, 04<sup>th</sup> August 2015, 06<sup>th</sup> August 2015, 04<sup>th</sup> September 2015, 28<sup>th</sup> September 2015, 21<sup>st</sup> October 2015, 16<sup>th</sup> November 2015, 14<sup>th</sup> January 2016 and 05<sup>th</sup> March, 2016.

During the financial year, both IDs of the Company met on 30<sup>th</sup> March, 2016 under the chairmanship of Shri Subhash C Khattar without the presence of Non-Independent Directors or Management personnel to review the performance of Non-Independent Directors, the Board and its Chairperson. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board.

The terms and conditions of appointment of Independent Directors have been placed on the website of the Company [www.mangalamdrugs.com](http://www.mangalamdrugs.com). 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 Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations which has replaced the clause 49 of Listing Agreement with the Stock Exchanges. During the year-ended 31<sup>st</sup> March, 2016, Five Audit Committee meetings were held. These were held on 15<sup>th</sup> April 2015, 04<sup>th</sup> August 2015, 28<sup>th</sup> September 2015, 21<sup>st</sup> October 2015 and 14<sup>th</sup> January 2016. Time elapsed between two meetings never exceeded 120 days.



The constitution of Audit Committee during the year ended on 31st March 2016 is as follows:

Name of Director	Category	Profession	No. of meetings held during the tenure	No. of meetings Attended
Mr. Subhash C. Khattar	Non-Executive & Independent	Chartered Accountant	5	5
Mr. Govardhan M. Dhoot	Executive	Industrialist	5	5
Ms. Meenal Sukhani*	Non-Executive & Independent	Professor	5	5

\* Ms. Meenal Sukhani was appointed as a Member of the Committee w.e.f 02nd May 2015.

The Chairman of the Committee attended the last AGM of the Company.

The Company Secretary acts as the Secretary to the Committee. In addition, the Committee meetings are attended by the Chief Financial Officer (Vice President - Finance), Statutory Auditors, Internal Auditors, Cost Auditors, General Manager (Accounts) and other related functional Executives of the Company when required.

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 in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit

Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

#### 4. **STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Stakeholder Relationship Committee considers and overseas resolution of grievances of security holders and investors of the Company.

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.

The Equity shares of the Company to the extent of 99.99% are held in dematerialized form & the handling of physical transfer of shares are very minimal.

#### **Investor Grievances:**

Nature of complaints received from shareholders during the year 2015-16 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	Nil	Nil	Nil

Mr. Ajay Samant, CFO was the Compliance Officer of the Company and thereafter from 05<sup>th</sup> September 2015, Ms. Nikita Bavishi, was appointed as the Compliance officer of the Company.

The terms of reference of the Committee are as follows:

To approve share transfers, transmissions, issue of duplicate share certificates, to review and advise the Company on any grievance in relation to (a) Non-transfer of shares (b) Non-receipt of Annual Report, Dividend (c) any other grievance raised by any stakeholder. During the financial year 2015-16, there were no pending investor complaints against 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 Composition of the Committee during the year ended on 31 March, 2016 is as follows:

Name of Director	Category	No. of Meetings Held	No. of meetings Attended
Mr. Subhash C. Khattar	Non-Executive & Independent	4	4
Ms. Meenal Sukhani*	Non-Executive & Independent	4	4
Mr. Brijmohan M Dhoot <sup>#</sup>	Non-Executive & Non Independent	4	4



\*Ms. Meenal Sukhani was appointed as an Independent director to the Committee on 02<sup>nd</sup> May 2015.

# Mr. Brijmohan M Dhoot was appointed as a Member of the Committee w.e.f 02<sup>nd</sup> May, 2015.

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

Ms. Nikita Bavishi, Company Secretary provided Secretarial support to 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 roles and responsibilities of the Committee are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

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

#### **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations 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:

#### **Executive Directors**

The re-appointment of Mr. Govardhan M Dhoot as Chairman and Managing Director of the Company was decided by the Board and approved by the Shareholders at their meeting held on 03<sup>rd</sup> September, 2015 for a period of five years starting from 01<sup>st</sup> November, 2014 .

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	13,60,000	5 years starting from 01 <sup>st</sup> November, 2014	The contract may be terminated by giving the other party 3 months notice

#### **Non-Executive Directors**

In terms of Listing Regulations, 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 2015-16. 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. Subhash C. Khattar	42,000	Nil
Ms. Meenal Sukhani	36,000	Nil
Mr. Brijmohan M Sukhani	14,000	564469*

\* Including Shares held as Karta of HUF

**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 fulfils 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. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee, inter alia, to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on social activities and to monitor the CSR Policy.

The composition of the Committee during the year ended 31<sup>st</sup> March, 2016 and other related details are given in the table below:

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

The Corporate Social Responsibility Committee was constituted on 14<sup>th</sup> January, 2016.

**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
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
2015	Thursday	03-09-2015	11.30 a.m	M.C. GHIA HALL, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Bldg., 4th Flr., 18/20 K.Dubash Marg, Kala Ghoda, Mumbai – 400 001	Three

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 as per Listing Regulations:***

In terms of Regulation 39(4) of the Listing Regulations, the Company reports the following details in respect of equity shares transferred from the "Mangalam Drugs & Organics Ltd – Unclaimed Suspense Account" during the year and the balance in the same at the beginning and at the end of the year:

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, 2015.	14	3714
Number of shareholders who approached to the Issuer, Registrar for transfer of shares from suspense account during the Financial Year 2015-16	1	377
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2015-16	1	377
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, 2016.	13	3337

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

**10. DISCLOSURES****a. Materially significant related party transactions that may have potential conflict with the interests of company at large:**

The Company does not have material significant related party transactions, i.e. transactions of the company of material nature with its promoters, directors of the management, or their subsidiaries or relatives etc that may have potential conflicts with the interest of the Company at large. However disclosure of transactions with the Related Party have been made in the Balance Sheet under Notes to Accounts. A copy of Related Party Policy for dealing with Related Party transactions is available on the website <http://www.mangalamdrugs.com/images/pdf/rpt-policy.pdf>.

**b. 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.**



**c. Disclosure by Senior Management Personnel:**

No material financial and commercial transactions were entered into by the Company with the Senior Management Personnel, where they could have had personal interest conflicting with its interest at large.

**d. CEO/CFO Certification:**

The Managing Director and Chief Financial Officer (CFO) of the Company gives an annual certification on Financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Managing Director and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

**e. Whistle Blower Policy:**

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations, the Company has adopted a Whistle Blower Policy to provide a mechanism to its Directors, Employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of its Code of Conduct. The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment. During the financial year 2015-16, no employee was denied access to the Audit Committee. The Company has uploaded the Whistle Blower Policy on its website, accessible at the weblink: <http://www.mangalamdrugs.com/images/pdf/whistle-blower-policy.pdf>

**f. Mandatory & Non Mandatory Clauses:**

The Company has been compliant with all the mandatory requirements laid down by the Listing Regulations. The non – mandatory requirements complied with have been disclosed at the relevant places.

**11. MEANS OF COMMUNICATION:**

During the year, the quarterly results of the Company were submitted to the Stock Exchanges soon after the Board Meeting approved these and were published in Free Press Journal (English Newspaper), Navashakti (Marathi Newspaper) and The Business Standards (English Newspaper – All Metro Cities).. The Company's financial results and official news releases are also displayed on the Company's Website [www.mangalamdrugs.com](http://www.mangalamdrugs.com). All presentations made by the company to institutional investors or to the analysts were also made available on the Company's Website for a reasonable period of time. The Management Discussion & Analysis Report forms a part of the Annual Report. The Company plans to send the soft copies of Annual Report 2015-16 to those shareholders whose e-mail IDs are registered with the Depository Participants and/or with the Company's Registrar and Share Transfer Agents, unless opted by them to get the physical copy. The Company has designated the email id [investors@mangalamdrugs.com](mailto:investors@mangalamdrugs.com) exclusively for investor servicing, and the same is prominently displayed on the Company's website.

**12. GENERAL SHAREHOLDER INFORMATION:**

**(a) 43<sup>rd</sup> Annual General Meeting – Day, Date, Time and Venue:**

Day	Date	Time	Venue
Friday	30 <sup>th</sup> September, 2016	04.00 P.M.	<b>KILACHAND CONFERENCE ROOM HALL</b> 2nd, Floor Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai – 400 020.

**(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, 2016 September, 2016 December, 2016 March, 2017	1 <sup>st</sup> / 2 <sup>nd</sup> week of August, 2016 1 <sup>st</sup> / 2 <sup>nd</sup> week of November 2016 1 <sup>st</sup> / 2 <sup>nd</sup> week of February 2017 Last week of May, 2017
Dates of Book Closure (Both days inclusive):	24 <sup>th</sup> September 2016 to 30 <sup>th</sup> September 2016 (Both days inclusive)
Dividend Payment Date:	Not Applicable

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

The BSE 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:**

The closing market Price of equity share on 31<sup>st</sup> March, 2016 (last trading day of the year) was Rs. 253.70 on BSE and Rs. 253.30 on NSE. The monthly movement of Equity Share prices during the year at BSE & NSE is summarized below:

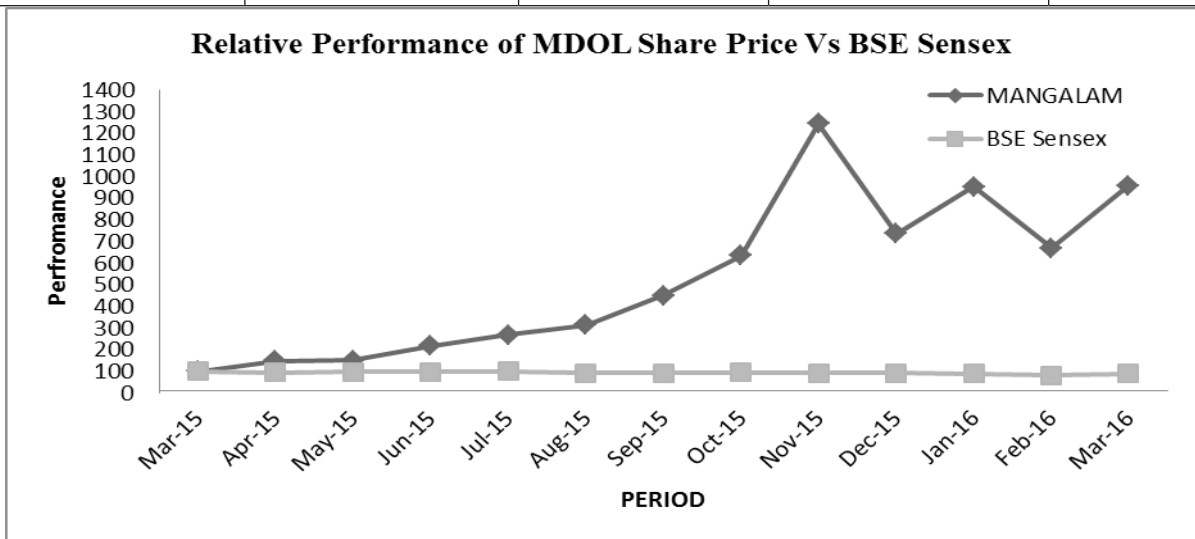


**Monthly Share price Movement during the financial year ended 31<sup>st</sup> March, 2016 at BSE & NSE**

Month	BSE Ltd			National Stock Exchange Ltd		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-15	40.65	25.70	19,05,982	40.80	26.00	30,58,486
May-15	45.50	36.70	13,47,207	45.90	36.55	28,25,576
Jun-15	86.45	40.65	52,45,240	86.80	40.85	1,39,91,285
Jul-15	71.00	53.55	11,26,172	71.20	53.40	31,01,484
Aug-15	97.00	67.45	19,09,972	97.35	67.65	41,34,468
Sep-15	121.45	71.25	13,11,918	121.45	71.05	40,77,036
Oct-15	186.50	119.90	23,90,483	186.70	119.65	50,77,489
Nov-15	329.70	152.00	18,64,965	330.20	151.75	49,27,109
Dec-15	441.50	195.00	12,30,701	442.40	194.95	32,23,513
Jan-15	305.00	185.30	13,56,780	305.00	185.25	39,11,554
Feb-15	260.90	135.60	8,12,793	259.90	134.40	23,23,289
Mar-15	296.20	186.70	5,93,472	295.00	187.55	22,59,212

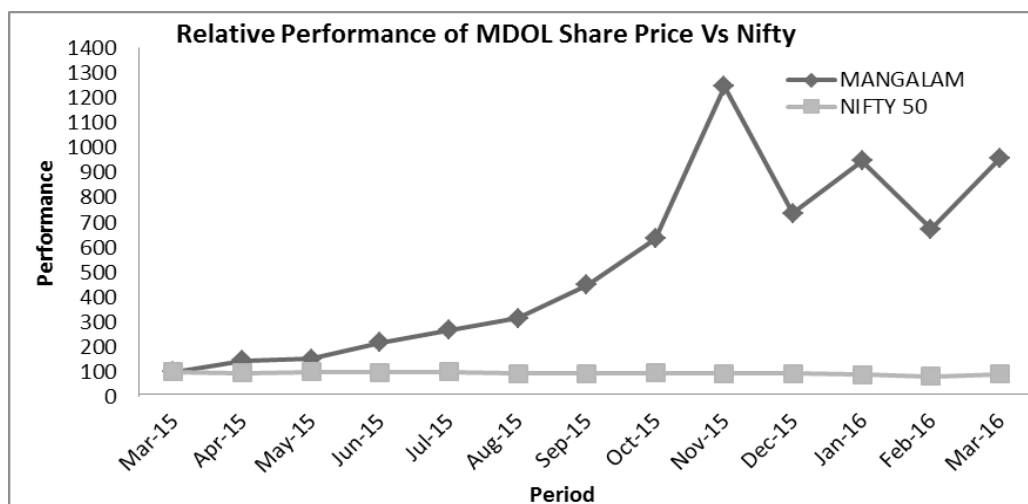
**The Performance of the Equity Share Price of the Company and Sensx at BSE:**

Month	MDOL Share Price at BSE*	BSE Index*	Relative Index for Comparison purpose	
			MDOL Share Price Index	Sensex
Mar-15	26.5	27957.49	100	100
Apr-15	39.75	27011.31	150.00	96.62
May-15	40.25	27828.44	151.89	99.54
Jun-15	57.9	27780.83	218.49	99.37
Jul-15	71	28114.56	267.92	100.56
Aug-15	83.2	26283.09	313.96	94.01
Sep-15	119.15	26154.83	449.62	93.55
Oct-15	168.3	26656.83	635.09	95.35
Nov-15	329.7	26145.67	1244.15	93.52
Dec-15	195	26117.54	735.85	93.42
Jan-16	252.3	24870.69	952.08	88.96
Feb-16	177.9	23002	671.32	82.27
Mar-16	253.7	25341.86	957.36	90.64



**The Performance of the Equity Share Price of the Company and Nifty at NSE:**

Month	MDOL Share Price at NSE*	NSE Index*	Relative Index for Comparison purpose	
			MDOL Share Price Index	Nifty
Mar-15	26.5	8491	100	100
Apr-15	38.75	8181.5	146.23	96.35
May-15	40.15	8433.65	151.51	99.32
Jun-15	57.95	8368.5	218.68	98.56
Jul-15	71.2	8532.85	268.68	100.49
Aug-15	83.45	7971.3	314.91	93.88
Sep-15	118.9	7948.9	448.68	93.62
Oct-15	168.1	8065.8	634.34	94.99
Nov-15	330.2	7935.25	1246.04	93.45
Dec-15	194.95	7946.35	735.66	93.59
Jan-16	251.2	7563.55	947.92	89.08
Feb-16	178.65	6987.05	674.15	82.29
Mar-16	253.3	7738.4	955.85	91.14


**(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) Dematerialisation of Securities:**

The equity 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. Approximately 99.99% of the shares have been dematerialized as on 31<sup>st</sup> March, 2016. Shares held by Promoters are all in the dematerialized form.

**(g) Share Transfer System:**

As regards transfer of shares held in physical form the transfer documents can be lodged with Registrar and Transfer Agents at the above mentioned address. Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Transfer of shares in depository mode need not be approved by the company. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations (erstwhile Clause 47 (c) of the Listing Agreement) and files a copy of the certificate with the Stock Exchanges.



**(h) Outstanding GDRs/ ADRs/ Warrants/any other convertible instruments:**

The Company had 1450000 Outstanding Warrants convertible into Equity Shares as on 31<sup>st</sup> March, 2016 out of the total 2650000 Warrants allotted on preferential basis to the Promoter Group on 28<sup>th</sup> September, 2015. Later on 10<sup>th</sup> June, 2016 the promoter group exercised their entitlement to convert these 1450000 warrants into equivalent number of equity shares as per the terms of issue.

**(i) Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

SN	Category	No. of Shares held	%
<b>A.</b>	<b>Promoters and Promoter Group</b>		
1	Individual / Hindu Undivided Family	3046348	21.19
2	Bodies Corporate	3538389	24.61
	<b>Total</b>	<b>6584737</b>	<b>45.80</b>
<b>B.</b>	<b>Non- Promoters Holding</b>		
1	Institutional Investors (Foreign Portfolio Investor)	1602	0.01
	<b>Total</b>	<b>1602</b>	<b>0.01</b>
2	Others		
	a. Individuals	6593871	45.86
	b. Bodies Corporate	708847	4.93
	c. NRIs / NRNs	310753	2.16
	d. Clearing Members	178438	1.24
	<b>Total</b>	<b>7791909</b>	<b>54.19</b>
	<b>Sub-Total (1+2)</b>	<b>7793511</b>	<b>54.20</b>
	<b>GRAND TOTAL (A) + (B)</b>	<b>14378248</b>	<b>100.00</b>

Distribution of Shareholding as on 31<sup>st</sup> March 2016:

No. of Shares			No. of Shareholders		No. of Shares	
From	-	To	Number	%	Number	% to total capital
1	-	500	9760	82.5021	1360026	9.4589
501	-	1000	871	7.3626	699325	4.8638
1001	-	2000	530	4.4801	791620	5.5057
2001	-	3000	208	1.7582	523893	3.6436
3001	-	4000	124	1.0482	441637	3.0716
4001	-	5000	68	0.5748	315131	2.1917
5001	-	10000	148	1.2511	1055831	7.3432
10001 and above			121	1.0228	9190785	63.9215
<b>TOTAL</b>			<b>11830</b>	<b>100.00</b>	<b>14378248</b>	<b>100.00</b>





(j) **Registered Office:**

**Mangalam Drugs & Organics Ltd**

Rupam Building, 3<sup>rd</sup> Floor,  
239, P.D'Mello Road,  
Near GPO, Mumbai- 400 001.  
Maharashtra.  
Tel No.: 022 22616200/6300

(k) **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

(l) **Investor Services:**

Email ID: investor@mangalamdrugs.com

(m) **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 REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To

The Members of  
MANGALAM DRUGS & ORGANICS LTD

I, Govardhan M Dhoot, Chairman & Managing Director, hereby declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Conduct for the period from 1st April, 2015 or the date of their joining the Company, whichever is later, to 31st March, 2016 from all Members of the Board and Senior Management Personnel of the company.

Place: Mumbai  
Dated: 01<sup>st</sup> August, 2016

**GOVARDHAN M DHOOT**  
Chairman & Managing Director  
DIN: 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 REG 17 (8) OF SEBI**  
**(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We **Govardhan M Dhoot**, Chairman & Managing Director and **Ajay Samant**, Chief Financial Officer of the company hereby certify that:

- (i) We have reviewed the financial statements for the quarter and year ended 31st March, 2016 and that to the best of our knowledge and belief;
  - a) These statements do not contain any false or misleading statement or figures and ;
  - b) These statements do not omit any material fact which may make the statements or figures contained therein misleading.
  - c) 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 quarter which are fraudulent, illegal or violative of the Company's Code of Conduct.

**(Govardhan M Dhoot)**  
Chairman & Managing Director

**(Ajay Samant)**  
Chief Financial Officer

Place: Mumbai

Dated: 16<sup>th</sup> May, 2016



## **AUDITORS CERTIFICATE ON COPRRATE GOVERNANCE**

To the Members of  
**MANGALAM DRUGS & ORGANICS LIMITED**

We have examined the Compliance of conditions of Corporate Governance by Mangalam Drugs & Organics Limited, for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 01<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period 01<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to procedures, and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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/ Listing Regulations, as applicable.

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

Sd/-  
**(Rakesh K. Milwani)**  
Proprietor  
Membership No. 36099  
Firm Registration No. 106405W

Place: Mumbai  
Date : 01<sup>st</sup> August, 2016



## ANNEXURE – III TO DIRECTORS REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Company Philosophy on Corporate Governance :

Corporate Governance is a mechanism by which the values, policies and procedures of the organizations are inculcated and manifested. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability throughout the organization.

### 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 of 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. Besides HIV Segment, your company has undertaken projects to introduce HCV (anti hepatitis C) APIs.

### Industrial Structure & 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. Indian Companies are focusing on global generic and API business, R&D activities and manufacturing alliances.

### Opportunities :

The current year was exceptionally good year for the pharma Industry in domestic as well as export markets witnessing a phenomenal growth momentum. We look forward to achieving new records in the coming year taking full advantage of the opportunities offered by the market.

### Threats, Risks & Concerns :

Despite some positive signs, the overall state of the global economy remains fragile and volatile. Sentiments driven fluctuations in the currency could also impact product pricing and margins, both in domestic as well as export markets.

Pharma Industry is continuously faced with a price-cost squeezed largely due to the relentless increase in raw materials and energy cost. Cheaper imports could distort markets and margins. Foreign exchange market is becoming volatile and rupee is appreciating. These factors can potentially impact the overall profitability of the company. We are taking precaution and preventive measures and proactive approach to overcome these threats.

### Internal Control System Adequacy :

The Company has a reasonable system of internal control comprising authority levels and powers, supervisions, checks and balances, policies and procedures. The system is reviewed and updated on an ongoing basis. The company continuously upgrades its internal control systems by measures such as strengthening of IT infrastructures and use of external management assurance service. The Company has in place a well defined internal audit system whereby an internal audit is performed across locations of the company.

### Human Resources Development & Research Activities :

The company success depends to a great extent on its ability to recruit, train and retain high quality people. The company places special emphasis on the human resources function in the organization. It believes that its strong brand name, industry leadership position, wide range of growth opportunities and performance linked compensation give it significant advantages in attracting and retaining skilled employees.

The total employees strength of the company at the end of the financial year 2015-16 was 311.

### Financial & Operational Performance :

During the year under review the company earned a total income of Rs. 29518.09 Lacs compared to Rs.22067.19 Lacs in the previous year an increase of Rs.33.76%. The company had made profit after tax Rs.1603.31 Lacs as against Rs.614.12 Lacs a turn around of Rs.161.07%. The company has achieved export turnover of Rs.4916.54 Lacs as against Rs.5787.86 Lacs in the previous year. Constant efforts are being made to increase the export. The company is continuously exploring avenues to increase exports to various countries.

### Healthy and Safety Measures :

The Company is fully committed to the safety, health and well-being of its employees and minimizing the environmental impact of its business operations.

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 mite in this direction.

### Cautionary Statement :

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws and regulations, actual results could differ materially from those expressed or implied. Important factors that could influence the companies operations include input availabilities and prices demand and pricing of finished goods in the company's principal markets, changes in government regulations tax laws, economic developments within the country and other incidental factors.



**ANNEXURE IV TO DIRECTORS' REPORT**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN** as on the financial year ended on 31<sup>st</sup> March 2016.

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

**I. REGISTRATION AND OTHER DETAILS:**

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	3 <sup>RD</sup> FLOOR, RUPAM BUILDING 239, P. D'MELLO ROAD, MUMBAI-400001
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	210	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 April 01, 2015				No. of Shares held at the end of the year March 31, 2016				% 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>									
<b>(a) IndividuaHUF</b>	3074573	-	3074573	23.33	3046348	-	3046348	21.19	-2.14
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	2475560	-	2475560	18.79	3538389	-	3538389	24.61	5.82
(e) Banks /Financial Institution	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>5550133</b>		<b>5550133</b>	<b>42.12</b>	<b>6584737</b>		<b>6584737</b>	<b>45.80</b>	<b>3.68</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year April 01, 2015				No. of Shares held at the end of the year March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=A(1)+A(2)</b>	<b>5550133</b>		<b>5550133</b>	<b>42.12</b>	<b>6584737</b>	-	<b>6584737</b>	<b>45.80</b>	<b>3.68</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
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) Foreign Portfolio Investor	-	-	-	-	1602	-	1602	0.01	0.01
<b>Sub-total (B)(1)</b>	-	-	-	-	<b>1602</b>	-	<b>1602</b>	<b>0.01</b>	<b>0.01</b>
<b>2. Non-Institutions</b>									
<i>a) Bodies Corporate.</i>									
i) Indian	1977377	-	1977377	15.00	508642	-	508642	3.54	-11.47
ii) Overseas	-	-	-	-	-	-	-	-	-
<i>b) Individuals</i>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	3649423	1895	3651318	27.71	4448947	10	4448957	30.94	3.24
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1651962	-	1651962	12.53	2144914	0	2144914	14.92	2.38
<i>c) Others</i>									
Non Resident Indians (Repat)	155316	-	155316	1.18	251253	-	251253	1.75	0.57
Non Resident Indians (Non Repat)	14618	-	14618	0.11	59500	-	59500	0.41	0.30
Clearing Member	177524	-	177524	1.35	178438	-	178438	1.24	-0.11
Trusts	-	-	-	-	500	-	500	00	0.00
Hindu Undivided Family	-	-	-	-	199705	-	199705	1.39	1.39
<b>Sub-total (B)(2)</b>	<b>7626220</b>	<b>1895</b>	<b>7628115</b>	<b>57.88</b>	<b>7791899</b>	<b>10</b>	<b>7791909</b>	<b>54.20</b>	<b>-3.69</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7626220</b>	<b>1895</b>	<b>7628115</b>	<b>57.88</b>	<b>7793501</b>	<b>10</b>	<b>7793511</b>	<b>54.20</b>	<b>-3.68</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>14378238</b>	<b>10</b>	<b>14378248</b>	<b>100.00</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 & Investment Pvt Ltd	1144522	8.68	5.84	1098851	7.65	5.35	-1.03
2	Shree Rasbihari Trading & Investment Pvt Ltd	1139518	8.65	5.80	1048018	7.29	5.32	-1.36
3	Dhoot Govardhan Murlidhar	511792	3.88	3.48	511792	3.56	3.19	-0.32
4	Dhoot Brijmohan Murlidhar	486996	3.69	3.65	486996	3.39	3.34	-0.30
5	Chandrakanta Murlidhar Dhoot	458292	3.48	0.00	430067	2.99	0.00	-0.49
6	Radhika A Dhoot	292500	2.22	2.22	292500	2.03	2.03	-0.19
7	Smita A. Dhoot	292500	2.22	2.22	292500	2.03	2.03	-0.19
8	Rajkumari R. Dhoot	275948	2.09	2.09	275948	1.92	1.92	-0.17
9	Raj Exports Pvt Ltd	191520	1.45	1.45	191520	1.33	1.33	-0.12
10	Govardhan Murlidhar Dhoot	155330	1.18	0.00	155330	1.08	0.00	-0.10
11	Dhoot Rekha Govardhan	148760	1.13	1.13	148760	1.04	1.03	-0.10
12	Ajay R Dhoot	138687	1.05	1.05	138687	0.96	0.96	-0.09
13	Dhoot Jyoti Brijmohan	104550	0.79	0.80	104550	0.73	0.73	-0.06
14	Aditya R. Dhoot	89225	0.68	0.68	89225	0.62	0.62	-0.06
15	Brijmohan Murlidhar Dhoot	77473	0.59	0.00	77473	0.54	0.00	-0.05
16	Rajkamal Sukhani	23520	0.18	0.18	23520	0.16	0.16	-0.02
17	Shweta Govardhan Dhoot	19000	0.14	0.14	19000	0.13	0.13	-0.01
18	Shri JB Pharma LLP	0	0.00	0.00	1200000	8.35	0.00	8.35
	<b>TOTAL</b>	<b>5550133</b>	<b>42.11</b>	<b>28.17</b>	<b>6584737</b>	<b>45.80</b>	<b>28.16</b>	<b>3.69</b>

\*There is negligible reduction in the shareholding percentage of all promoters, which is due to increase in total paid up capital of the Company consequent upon issue of shares under Preferential Allotment during the year.

## (iii) Change in Promoters' Shareholding:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2015		Increase/Decrease in Shareholding during the year			Cumulative Shareholding during at the end of the year 31/03/2016	
		No. of Shares	% of total shares of the company	Date	Reason	No. of Shares	No. of Shares	% of total shares of the company
1	Shri JB Pharma LLP	0	0.00	16/11/2015	Preferential Issue (Conversion of Share Warrants into Equity Shares)	1200000	1200000	8.35
2	Shree Rasbihari Trading & Investment Pvt Ltd	1148018	8.65	16/12/2015	Sale of Shares	(100000)	1048018	7.29
3	Chandrakanta Dhoot	458292	3.48	16/12/2015 17/12/2015	Sale of Shares	(28225)	430067	2.99
4	Shree Kishoriju Trading & Investment Pvt Ltd	1144522	8.68	17/12/2015	Sale of Shares	(45671)	1098851	7.65





(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 01/04/2015 i.e. as per shareholding pattern of 31/03/2015		Changes in the shareholding (No. of Shares)		Shareholding at the end of the year as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016	
		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	Avinash Takkalapelly	59850	0.4541	142674	-	202524	1.4085
2	Srihari Adiga	0	0.0000	136100	29100	107000	0.7442
3	Shyamsunder Gupta	101330	0.7689	-	-	101330	0.7047
4	Gouri Gupta	0	0.0000	102075	4000	98075	0.6821
5	Basant Maheshwari Wealth Advisors LLP	0	0.0000	92350	-	92350	0.6423
6	Vishal Indla	0	0.0000	146688	68688	78000	0.5425
7	Ganesh Kumar	72000	0.5464	121	1471	70650	0.4914
8	Karvy Stock Broking Ltd	13060	0.0991	136506	90186	59380	0.4130
9	Kokilaben Dinkerray Raval	72500	0.5501	-	58700	13800	0.0960
10	IPCA Laboratories Ltd	1067939	8.1038	-	1067939	0	0.000

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01/04/2015		Increase/Decrease in Shareholding during the year		Cumulative during/at the end of the year 31/03/2016	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
	At the beginning of the year						
1.	Shri Govardhan M Dhoot	667122	5.0623	-	0	667122	4.6398
2.	Shri Brijmohan M Dhoot	564469	4.2833	-	0	564469	3.9258

\* Including 155330 Shares in the name of Govardhan M Dhoot (HUF)

\* Including 77473 Shares in the name of Brijmohan M Dhoot (HUF)

## V. 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	5682.27	2110.00	-	7792.27
ii) Interest due but not paid	19.56	-	-	19.56
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5701.83</b>	<b>2110.00</b>	-	<b>7811.83</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	130.79	-	-	130.79
Reduction	657.85	1638.25	-	2296.10
<b>Net change</b>	<b>(527.06)</b>	<b>(1638.25)</b>	-	<b>(2165.31)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5510.35	471.75	-	5982.10
ii) Interest due but not paid	27.71	-	-	27.71
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5538.06</b>	<b>471.75</b>	-	<b>6009.81</b>



**VI. 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	Total Amount
		G.M.Dhoot	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,60,002	13,60,002
	(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>	13,60,002	13,60,002
	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. Brijmohan M Dhoot	Mr. Subhash Khattar	Ms. Meenal Sukhani	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	-	42,000	36,000	78,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	<b>42,000</b>	<b>36,000</b>	<b>78,000</b>
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	14,000	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>14,000</b>	-	-	<b>14,000</b>
	<b>Total (B) = (1+2)</b>	<b>14,000</b>	<b>42,000</b>	<b>36,000</b>	<b>92,000</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 (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,59,862	12,59,900	15,19,762
	(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>2,59,862</b>	<b>12,59,900</b>	<b>15,19,762</b>

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

There were no penalties/punishment/compounding of offences for the year ending March, 2016.



**ANNEXURE V TO DIRECTORS' REPORT  
FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mangalam Drugs & Organics Limited for the financial year ended on 31<sup>st</sup> March, 2016 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 Agreement till 30th November, 2015 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1st December, 2015 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 Copyright 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. Brijmohan Dhoot, non executive director was appointed on 2nd May, 2015.

**The Company was not compliant with Section 203 of the Companies Act 2013 regarding appointment of company secretary as Key managerial personnel till 4<sup>th</sup> September, 2015 but w.e.f 5<sup>th</sup> September 2016, Ms. Nikita Bavishi was appointed as Company Secretary as Key Managerial Personnel from and hence was in compliance thereafter.**

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.

**FOR ANKIT SETHI & ASSOCIATES**

(ANKIT SETHI)

Company Secretary

Membership No: 25415

CP Number:11089

Place: Mumbai

Date: 01<sup>st</sup> August, 2016



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
MANGALAM DRUGS & ORGANICS LIMITED

**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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit/loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The accounts of the Company have been audited by us under Section 143 (8) of the Act and have been properly dealt with by us in preparing this report.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Annexure 'A' and Annexure 'B' attached hereto form an integral part of this report**

Place: Mumbai  
Dated: May 16, 2016

Name of the signatory: CA Rakesh K Milwani  
Membership No. No. **036099**  
Name of the proprietary firm: **MILWANI ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. **106405W**



## Annexure – A to Independent Auditors' Report

Forming part of the Independent Auditors' Report of even date on the financial statement as of and for the year ended March 31<sup>st</sup>, 2016.

### i. In respect of Fixed Assets:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- As explained to us, all the assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property in its name and therefore the said clause is not applicable.

### ii. In respect of Inventories:

- According to the information and explanation given to us the physical verification of inventory has been conducted at reasonable intervals by the management.
- According to the information and explanation given to us the discrepancies between physical stock and the book stock were not material and have been properly dealt with in the books of accounts.

### iii. In respect of the loans, secured or unsecured, granted by the company to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- The Company has not granted loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of Companies Act, 2013. Hence we express our inability to give our comments on loan receipts or principal interest or steps taken for recovery of overdue amount of principal and interest.

### iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments, guarantees and securities.

### v. According to information and explanations provided to us, the company has not accepted any deposit from public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013, and the Rules framed there under. Hence we offer no comments in respect of any contraventions thereto. No order has been passed by Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or other tribunal in respect of any deposit as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013, and Rules framed there under.

### vi. The company is maintaining the cost accounting records as prescribed by the Central Government under Section 148(1) of the Companies Act 2013 for the Company.

### vii. In respect of Statutory Dues:

- According to information and explanations given to us and based on records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities. As explained to us, the Company did not have any such dues outstanding as on the last day of the financial year for more than six months from the date the same became payable.
- The following are the disputed dues which have not been deposited

No.	Nature of Dues	Amount (Rs. In Lacs)	Forum where dispute is Pending
<b>1)</b>	<b>Excise Duty &amp; Service Tax</b>		
a)	2009 -10	5.00	CESTAT, Ahmedabad
b)	2011 – 12	24.82	CESTAT, Ahmedabad
c)	2011 – 12	183.55	CESTAT, Ahmedabad
	<b>Sub Total</b>	<b>213.37</b>	
<b>2)</b>	<b>Income Tax</b>		
a)	AY-2002 – 2003	00.86	Income Tax Appellant Tribunal Mumbai
b)	AY-2003 – 2004	00.88	Income Tax Appellant Tribunal Mumbai
c)	AY-2004 – 2005	22.09	Income Tax Appellant Tribunal Mumbai
d)	AY-2005 – 2006	1.36	Income Tax Appellant Tribunal Mumbai.
e)	AY-2006 – 2007	21.42	Commissioner of Income Tax Appeals – IV Mumbai
f)	AY-2011 – 2012	56.14	Income Tax Appellant Tribunal Mumbai
	<b>Sub Total</b>	<b>102.75</b>	



3)	Maharashtra Sales Tax			
	a)	2005-2006-MVAT	699.94	Dy. Commissioner of Sales Tax–Appeal – VI
	b)	2005- 2006 - CST	20.67	Dy. Commissioner of Sales Tax –Appeal – VI
	c)	2008- 2009 –MVAT	623.44	Dy. Commissioner of Sales Tax –Appeal – VI
	d)	2009-2010–MVAT	12.47	Maharashtra Sales Tax Tribunal
		Sub Total	<b>1356.52</b>	
		Total	<b>1672.64</b>	

- viii. As per our examination and according to the information and explanation given to us and based on records of the company examined by us, the company has, during the year, not defaulted in the repayment of loans or borrowings to a financial institutions, bank, Government or dues to debenture holders.
- ix. As per our examination and according to the information and explanation given to us and based on records of the company examined by us, the company has, during the year under review, not raised any money via initial public offer or by way of further public offer (including debt instruments) or new term loans. The term loans outstanding at the beginning of the year have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no instance of material fraud by or on the Company by its officers or employees has been noticed or reported during the year under review. We, therefore, express our inability to express any opinion on the nature of fraud or amount involved therein.
- xi. As per the Notification No. G.S.R. 463 (E) dated June 05, 2015 the provision of section 197 r.w. Schedule V of the Act is not applicable to the Company. Accordingly, paragraph 3(xi) of the order is not applicable.
- xii. In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations provided to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided to us and based on the examination of records of the company, the company has made preferential allotment by way of private placement of shares. According to the information and explanations provided to us, and based on our examination of the records of the Company, we are of the opinion that requirements of section 42 of the Companies Act, 2013, has been complied with and the amount raised has been used for the purposes for which the funds were raised.
- xv. According to the information and explanations provided to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations provided to us, and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai  
Dated: May 16, 2016

Name of the signatory: CA Rakesh K Milwani  
Membership No. No. **036099**  
Name of the proprietary firm: **MILWANI ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. **106405W**



## Annexure – B to Independent Auditors' Report

**Forming part of the Independent Auditors' Report of even date on the financial statement as of and for the year ended March 31<sup>st</sup>, 2016.  
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of MANGALAM DRUGS & ORGANICS LIMITED ("the Company") as of March 31<sup>st</sup>, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Dated: May 16, 2016

Name of the signatory: CA Rakesh K Milwani  
Membership No. No. 036099

Name of the proprietary firm: MILWANI ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 106405W



**BALANCE SHEET AS ON 31ST MARCH,2016**

In Lacs

Particulars		Note No	As at 31 March, 2016	As at 31 March, 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	1,437.82	1,317.82
	(b) Reserves and surplus	3	3,866.36	1,618.59
	(c) Money recd agst Share Warrants	4	848.25	-
	<b>Sub Total -Shareholders funds</b>		<b>6,152.43</b>	<b>2,936.41</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	1,692.15	3940.10
	(b) Deferred Tax Liabilities (Net)	6	844.89	169.80
	<b>Sub Total -Non-Current Liabilities</b>		<b>2,537.04</b>	<b>4,109.90</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	3,537.57	3,182.43
	(b) Trade payables		2067.50	5477.29
	(c) Other current liabilities	8	1681.85	1283.47
	<b>Sub Total -Current Liabilities</b>		<b>7,286.92</b>	<b>9,943.19</b>
	<b>TOTAL.....</b>		<b>15,976.39</b>	<b>16,989.50</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>I) Non-current assets</b>			
	Fixed assets			
	(i) Tangible assets			
	(i) Tangible Assets	9	5,418.96	5,294.79
	(ii) Capital work-in-progress		492.74	-
	Long-term loans and advances	10	99.31	91.02
	<b>Sub Total -Non-Current Assets</b>		<b>6,011.01</b>	<b>5,385.81</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current Investments	11	24.01	24.02
	(b) Inventories	12	4,734.06	5,734.04
	(c) Trade receivables	13	3,014.43	4,424.69
	(d) Cash and cash equivalents	14	49.53	67.94
	(e) Short-term loans and advances	15	2,143.35	1,353.00
	<b>Sub Total Current Assets</b>		<b>9,965.38</b>	<b>11,603.69</b>
	<b>TOTAL.....</b>		<b>15,976.39</b>	<b>16,989.50</b>
	<b>Significant accounting policies</b>	1	-	-
	The accompanying Notes 1 to 23 are an integral part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

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

(Shri Govardhan M.Dhoot)  
 Chairman & Managing Director  
 (DIN:01240086)

(Shri Subhash C.Khattar)  
 Director  
 (DIN:01122941)

(Ms Nikita Bavishi)  
 Company Secretary

(Shri Ajay Samant)  
 Chief Financial Officer

Place : Mumbai  
 Dated : 16th May 2016





## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2016

In Lacs

Particulars		Note No	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
<b>1</b>	Revenue from operations	16	30,314.84	22,524.16
	Less: Excise duty		812.66	465.77
	Revenue from operations		<b>29,502.18</b>	<b>22,058.39</b>
<b>2</b>	Other income	17	<b>15.91</b>	<b>8.80</b>
<b>3</b>	<b>Total revenue (1+2)</b>		<b>29,518.09</b>	<b>22,067.19</b>
<b>4</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	18	20,185.07	16,324.04
	(b) Changes in inventories of finished goods, work in progress and stock in trade	19	(7.96)	(745.54)
	(c) Employee benefits expense	20	1,434.87	1,091.36
	(d) Finance costs	21	929.18	1,028.37
	(e) Depreciation		441.30	415.40
	(f) Other Expenses	22	4,134.03	3,352.68
	<b>Total expenses</b>		<b>27,116.49</b>	<b>21,466.31</b>
<b>5</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>2401.60</b>	<b>600.88</b>
<b>6</b>	<b>Exceptional items</b>		-	-
<b>7</b>	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>2,401.60</b>	<b>600.88</b>
<b>8</b>	Extraordinary items		-	-
<b>9</b>	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>2,401.60</b>	<b>600.88</b>
<b>10</b>	<b>Tax expense:</b>			
	(a) Current tax		487.75	96.00
	(b) Mat Credit Entitlement		(364.55)	(220.48)
	(b) Deferred tax		675.09	111.24
			<b>798.29</b>	<b>(13.24)</b>
<b>11</b>	<b>Profit / (Loss) for the year (9 ± 10)</b>		<b>1,603.31</b>	<b>614.12</b>
<b>12</b>	<b>Earning Per equity share:</b>			
	<b>1) Basic</b>	23	11.15	4.66
	<b>2) Diluted</b>		10.13	4.66
	<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

For and on behalf of the Board of Directors

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

(Shri Govardhan M.Dhoot)  
Chairman & Managing Director  
(DIN:01240086)

(Shri Subhash C.Khattar)  
Director  
(DIN:01122941)

(Ms Nikita Bavishi)  
Company Secretary

(Shri Ajay Samant)  
Chief Financial Officer

Place : Mumbai  
Dated : 16th May 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	<b>PARTICULARS</b>	<b>2015-16 (₹ in Lacs)</b>	<b>2014-15 (₹ in Lacs)</b>
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	'Net Profit before Tax	2401.60	600.88
	<u>Adjustment for :</u>		
	'Depreciation	441.30	415.41
	'Profit/Loss on sales of Fixed Assets	16.76	7.83
	'Dividend Income	(2.02)	(1.33)
	'Interest Expenses	929.18	1,028.37
	'Operating Profit before Working Capital changes	3786.82	2051.16
	<u>Adjustment for :</u>		
	'Trade & Other receivables	889.37	(2,207.29)
	'Inventories	999.99	(2,086.29)
	'Trade Payable	(3,100.43)	3,645.47
	'Cash generated from Operation	2575.75	1403.05
	Less :		
	'Taxes Paid	(394.58)	(6.86)
	Net Cash from Operating Activities	2181.17	1396.19
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	'Purchase of Fixed Assets / Capital Expenditure	(1,109.31)	(381.60)
	'Sale of fixed Assets	18.81	2.00
	'Purchase/ Sale of Investments	0.01	(6.10)
	'Dividend received	2.02	1.33
	'Net Cash from Investing Activities	(1088.47)	(384.37)
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	'Long Term Borrowings	(2,165.31)	28.50
	'Short Term borrowings	355.13	45.76
	'Money recd twds Share Warrants	848.25	-
	'Issue of Shares	780.00	-
	'Interest Expenses	(929.18)	(1,028.37)
	'Net Cash from Financing Activities	(1111.11)	(954.11)
	<b>Net decrease in cash &amp; cash Equivalentents (A+B+C)</b>	(18.41)	57.71
	Opening Balance of Cash & Cash Equivalentents	67.94	10.23
	Closing Balance of Cash & Cash Equivalentents	49.53	67.94

In terms of our report attached

For and on behalf of the Board of Directors

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

**(Shri Govardhan M.Dhoot)**      **(Shri Subhash C.Khattar)**  
Chairman & Managing Director      Director  
(DIN:01240086)      (DIN:01122941)

**(Ms Nikita Bavishi)**  
Company Secretary

**(Shri Ajay Samant)**  
Chief Financial Officer

Place : Mumbai  
Dated : 16th May 2016



## Notes to financial statement for the year ended 31<sup>st</sup> March, 2016

### 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 under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 / Companies Act, 1956 as applicable & guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.
- 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 specified in the Schedule II of the Companies Act, 2013.

##### 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) Finished 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, 2016

##### 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 31-03-2016		As At 31-03-2015	
		In Numbers	In Lacs	In Numbers	In Lacs
2	<b>SHARE CAPITAL</b>				
a)	<b>Authorised</b> (3,00,00,000 Equity Shares of Rs.10 Each ) (Previous Year :200,00,000/-Eqity shares of Rs.10 each)	300,00,000	3,000.00	200,00,000	2,000.00
			3,000.00		2,000.00
b)	<b>ISSUED SUBSCRIBED AND PAID UP</b> 1,43,78,248 Equity Shares of ₹10/-each fully paid up (Previous Year1,31,78,248/-Equity Shares of ₹ 10/-each) 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 ₹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 ₹10/- each fully paid up were Alloted, by way of initial public offer, at a premium of ₹12/-per share. 5) During the Year 2015 -16, 12,00,000 Equity Sharess of ₹ 10/- each fully paid were allotted pursuant to conversion of 12,00,000 share warrants on preferential allotment to promoter group at a premium of ₹ 55/- per share.		1,437.82		1,317.82
			1437.82		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 Equity Shaeholders.

**d) Reconciliation of the number of Shares outstanding and the amount of Share Capital as at March 31, 2016. and March 31, 2015**

Equity Shares (issued Capital )	As at 31-03-2016		As at 31-03-2015	
	In Numbers	In Lacs	In Numbers	In Lacs
Shares outstanding at the beginning of the year	131.78	1,317.82	131.78	1,317.82
Shares issued during the year (Pursuant to conversion of Share Warrants into Equity Shares by the Promoter Group)	12.00	120.00	-	-
Shares outstanding at the end of the year	143.78	1,437.82	131.78	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	31/03/2016	31/03/2015	31/03/2014	31/03/2013	31/03/2012
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 2016		As at 31 March 2015	
		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	Shree Rashbihari Trading and Investment Pvt.Ltd	1139518	8.65	1139518	8.65
3	IPCA Laboratories Ltd	1067939	8.10	1633417	12.39

Note No	RESERVES AND SURPLUS	(In Lacs)	
		As at 31-03-2016	As at 31-03-2015
3	<b>A) GENERAL RESERVE :-</b>		
	Balance as per last Balance Sheet	1,079.05	1,079.05
	Add:-Transfer During the Year	-	-
	Total Amount (A)	<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 (on conversion of 1200000 Preferential Warrants)	660.00	-
	Total Amount (B)	<b>1,440.03</b>	<b>780.03</b>
	<b>C) PROFIT AND LOSS ACCOUNT :-</b>		
	Balance as per Last Balance Sheet	(240.49)	(854.61)
	Add:- Profit/(Loss) for the year	1,603.31	614.12
	Less:Additional Depreciation on Fixed Assets	15.54	0.00
	Total Amount (C)	1,347.28	(240.49)
	<b>Total Amount (A+B+C)</b>	<b>3,866.36</b>	<b>1,618.59</b>
4	<b>Money received towards Share Warrants :</b>		
	Balance as per last Balance Sheet	-	-
	Add:-Transfer During the Year	848.25	-
	Total Amount	<b>848.25</b>	<b>0.00</b>
Note :	In terms of shareholder's approval at the 42nd Annual General Meeting held on 3rd September 2015, the company on 28th September 2015 issued and allotted 26,50,000 preferential share warrants to the promoter group at a price of Rs. 65/- per warrant, entitling the holder of such warrant to apply for and obtain one equity share of face value of Rs 10/- each fully paid up against each warrant on or before the expiry of 18 months from the date of allotment. 25% of the said price of warrant was paid on subscription and balance 75% is to be paid any time upon exercise of entitlement to convert into equity shares as stated above. On 16th November 2015 the promoter group partially exercised their entitlement to convert 1200000 warrants into equivalent number of equity shares as per the terms of issue and paid the balance price thereon. The balance 14,50,000 warrants remains outstanding to be exercised before the expiry of 18months from the date of allotment.		

Note No	LONG TERM BORROWINGS	As At 31-03-2016	As At 31-03-2015	As At 31-03-2016	As At 31-03-2015
		Non-Current		Current (Refer Note-07)	
5	<b>Term Loans</b>				
	(Secured)				
	Rupee Term loans from Banks	1,088.60	1,794.62	706.02	657.85
	Other Loan From Banks	131.80	35.48	46.36	11.89
	<b>From Others (Unsecured)</b>	471.75	2,110.00	-	-
	<b>Total Amount</b>	<b>1,692.15</b>	<b>3,940.10</b>	<b>752.38</b>	<b>669.74</b>



## NOTE:

- 1) Term loan from State Bank of India, IDBI Bank, 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 31-03-2016	As At 31-03-2015
6	Balance as per Last Balance Sheet	169.80	58.56
	Add:-Transfer during the year	675.09	111.24
	<b>Total Amount</b>	<b>844.89</b>	<b>169.80</b>

In Lacs

Note No	SHORT TERM BORROWINGS	As At 31-03-2016	As At 31-03-2015
7	<b>Secured</b>		
	l) Loans Repayable on demand From Banks	3,537.57	3,182.43
	<b>Total Amount</b>	<b>3,537.57</b>	<b>3,182.43</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 31-03-2016	As at 31-03-2015
8	a) Current maturities of long-term debt (refer note no.5" Longterm borrowing ")	752.38	669.74
	b) Accrued salaries and benefit	218.86	128.07
	c) Interest accrued and due on borrowings	27.71	32.28
	d) Statutory dues	505.63	324.99
	e) Provision for expenses	170.89	128.39
	f) Provision for Tax (Net of advance tax)	6.38	-
	<b>Total Amount</b>	<b>1,681.85</b>	<b>1,283.47</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

## 9) FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Balance as at 01-04-2015	Addition	Deletions	Balance as at 31-03-2016	Balance as at 01-04-2015	Depreciation Charge for the year	Deduction	Deduction Translation of Assets	Balance as at 31-03-2016	Balance as at 31-03-2015
<b>A) Tangible Assets</b>										
(Not Under Lease)										
Land	54.40	-	-	54.40	-	-	-	-	54.40	54.40
Factory Building	990.11	263.12	20.75	1,232.48	336.97	39.53	1.94	-	374.56	653.14
Plant & Machinery, Laboratory & R & D Equipment	7,655.86	264.57	20.41	7,900.02	3,249.71	316.58	-	-	4,333.72	4,406.14
Furniture and Fixtures	67.12	1.40	-	68.52	57.75	4.11	-	0.07	61.93	9.37
Motor Car & Vehicles	138.56	87.48	21.09	204.96	72.95	16.42	4.51	3.22	88.08	65.61
Office & Electrical Equipments	173.93	0.98	0.08	174.83	94.85	57.01	0.04	6.62	158.44	79.09
Air Conditioner	17.69	5.49	0.27	22.91	6.05	3.24	0.13	5.57	14.72	11.65
Computer	84.73	13.94	-	98.67	69.33	4.41	-	0.06	73.79	15.39
	-	-	-	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>9,182.40</b>	<b>636.98</b>	<b>62.60</b>	<b>9,756.78</b>	<b>3,887.60</b>	<b>441.30</b>	<b>6.62</b>	<b>15.54</b>	<b>4,337.82</b>	<b>5,294.79</b>
<b>B) Intangible Assets</b>										
<b>Sub Total</b>	-	-	-	-	-	-	-	-	-	-
<b>C) Capital Work in Process</b>										
<b>Sub Total</b>	-	492.74	-	492.74	-	-	-	-	-	492.74
<b>Total Assets</b>	<b>9,182.40</b>	<b>1,129.72</b>	<b>62.60</b>	<b>10,249.52</b>	<b>3,887.60</b>	<b>441.30</b>	<b>6.62</b>	<b>15.54</b>	<b>4,337.82</b>	<b>5,911.70</b>
<b>Previous Year</b>	8,827.53	393.44	38.58	9,182.40	3,489.10	415.40	16.91	-	3,887.59	5,338.44


**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Note No	LONG TERM LOANS AND ADVANCES	In Lacs				
		As at 31-03-2016	As at 31-03-2015			
<b>10</b>	<b>Unsecured and Considered good</b>					
	<b>A) Security Deposits</b>					
	Unsecured and Considered Good	99.31	91.02			
	<b>Total Amount</b>	<b>99.31</b>	<b>91.02</b>			
Note No.	CURRENT INVESTMENTS	Face Value	Nos of Shares		Amount of Shares (in Lacs)	
			per share (in Rs)	Current Year	Previous Year	Current Year
<b>11</b>			<b>31.03.16</b>	<b>31.03.15</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>A</b>	<b>Quoted Investments :</b>					
1	IMP Power Ltd.	10	1,72,172	1,72,172	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>1,73,099</b>	<b>1,73,099</b>	<b>11.84</b>	<b>11.84</b>
<b>B</b>	Market Value of quoted shares Rs. 1,46,64,121/- (Previous year Rs.1,30,13,458/-)					
	<b>Unquoted Investments :</b>					
1	National Savings Certificate	-	-	-	1.82	1.83
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	10.10
	<b>Total (B)</b>		<b>45060</b>	<b>20700</b>	<b>12.17</b>	<b>12.18</b>
	<b>TOTAL (A+B)</b>		<b>2,18,159</b>	<b>1,93,799</b>	<b>24.01</b>	<b>24.02</b>





		In Lacs	
Note No	INVENTORIES	As at 31-03-2016	As at 31-03-2015
12	(Valued at lower of cost and net realisable value)		
	Raw Materials	1,424.47	2,425.37
	Packing Materials	9.99	17.03
	Finished Goods	1,699.32	433.00
	Work-in-Progress	1,600.28	2,858.64
	<b>Total Amount</b>	<b>4,734.06</b>	<b>5,734.04</b>
Note No	TRADE RECEIVABLES	As at 31-03-2016	As at 31-03-2015
13	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured and Considered Good	3,000.21	4,417.48
	Trade receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured and Considered Good	14.22	7.21
	<b>Total Amount</b>	<b>3,014.43</b>	<b>4,424.69</b>
14	CASH AND CASH EQUIVALENTS		
	A) Cash on Hand	3.25	25.37
	B) Balance with Banks		
	I) In Current Accounts	25.61	20.81
	II) In Deposits Accounts	20.67	21.76
	<b>Total Amount</b>	<b>49.53</b>	<b>67.94</b>
15	SHORT-TERM LOANS AND ADVANCES		
	(Unsecured & Considered good)		
	Prepaid Expenses	31.17	29.99
	Loans to employees-staff advances	1.96	2.69
	Balance with statutory / Governments authorities	1,108.02	1,013.79
	Tax Payments less Provisions	0.00	78.75
	Mat Credit Entitlement	585.02	220.48
	Others	417.18	7.30
	<b>Total Amount</b>	<b>2,143.35</b>	<b>1,353.00</b>
Note No	REVENUE FROM OPERATIONS	Year ended 31-03-2016	Year ended 31-03-2015
16	Sale of products	29,807.46	21,727.86
	Scrap Sales	18.30	11.79
	Excise duty Rebate/Refund on deemed exports	489.08	784.51
	<b>Revenue from Operations (Gross)</b>	<b>30,314.84</b>	<b>22,524.16</b>
	Less:- Excise Duty	812.66	465.77
	<b>Revenue from Operations (Net)</b>	<b>29,502.18</b>	<b>22,058.39</b>



		In Lacs	
17	OTHER INCOME	Year ended 31-03-2016	Year ended 31-03-2015
	<b>1) Exports Benefits</b>		
	a) Duty Drawback Rebate Claim	13.89	7.47
	Total -(I)	<b>13.89</b>	<b>7.47</b>
	<b>III) Dividend Recd.</b>		
	Total -(III)	<b>2.02</b>	<b>1.33</b>
	<b>Total Amount (I+II)</b>	<b>15.91</b>	<b>8.80</b>
18	<b>COST OF RAW MATERIALS CONSUMED</b>		
	Inventory at the beginning of the year	2,425.37	1,089.01
	Add:- Purchases	20,362.44	18,313.75
		<b>22,787.81</b>	<b>19,402.76</b>
	Less:- Inventory at the end of the year	1,424.47	2,425.37
	Cenvat Aailed	1,178.27	653.35
	<b>Total Amount</b>	<b>20,185.07</b>	<b>16,324.04</b>
Note No	<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
19	<b>AND WORK IN PROGRESS</b>		
	Inventory at the end of the year		
	Work in Progress	1,600.28	2,858.64
	Finished Goods	1,699.32	433.00
	<b>Total (A)</b>	<b>3,299.60</b>	<b>3,291.64</b>
	Inventory at the beginning of the year		
	Work in Progress	2,858.64	2,114.73
	Finished Goods	433.00	431.37
	<b>Total (B)</b>	<b>3,291.64</b>	<b>2,546.10</b>
	<b>Increase / (Decrease) in inventories (A-B)</b>	<b>(7.96)</b>	<b>(745.54)</b>
20	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries ,Wages and Bonus	1,233.14	960.56
	Contribution to -Provident and other funds	145.14	85.41
	Staff welfare expenses	26.92	24.76
	Others	29.67	20.63
	<b>Total Amt</b>	<b>1,434.87</b>	<b>1,091.36</b>
21	<b>FINANCE COST</b>		
	Interest Expenses	633.59	699.54
	Bank Charges	156.44	159.32
	Other Borrowing Costs	139.15	169.51
	<b>Total Amt</b>	<b>929.18</b>	<b>1,028.37</b>
Note No	<b>OTHERS EXPENSES</b>	Year ended 31-03-2016	Year ended 31-03-2015
22	<b>MANUFACTURING EXPENSES</b>		
	Carriage Inward & Freight	21.54	20.75
	Excise Duty diff on Finished & Semi-finished stock	114.83	146.85
	Job Work	2.18	-
	Power, Fuel,Electricity& Water	1,089.64	1,189.59
	Repairs and Maintenance	527.41	323.80
	Sales Tax Paid	510.79	305.30
	Laboratory Exps	114.16	92.78
	Testing Fees	12.37	18.25
	Pollution Control Exps	185.99	177.55
	Stores and Spares	111.38	121.44
	<b>Total (A)</b>	<b>2,690.29</b>	<b>2,396.31</b>



		In Lacs	
		Year ended 31-03-2016	Year ended 31-03-2015
	<b>ADMINISTRATIVE EXPENSES</b>		
	Directors Remuneration	14.10	7.20
	Clearing & Forwarding	0.19	-
	Donation	-	0.06
	Insurance Charges	18.39	8.82
	Legal and Professional Fees	142.77	44.45
	Miscellaneous Expenses	225.91	37.39
	Postage and Telegram	5.82	6.18
	Printing and Stationery	30.25	25.49
	Rent, Rates and Taxes	59.45	33.24
	Travelling and Conveyance	51.24	35.95
	Vehicle Expenses	34.14	34.59
	Service charges	18.03	14.24
	Office Expenses	27.37	24.56
	Telephone telex & fax charges	15.42	12.66
	Membership and subscription fees	1.93	3.03
	Registration & Licence Fees	28.59	14.47
	Stamp Duty Expense	17.87	5.78
	Computer Expense	6.86	6.49
	Listing Fees to Stock Exchanges	5.20	2.64
	Profit/Loss on Sale of Asset	16.76	7.83
	<b>Total (B)</b>	<b>720.29</b>	<b>325.07</b>
	<b>AUDITORS REMUNERATION EXPENSES</b>		
	Statutory Audit Fees	1.75	1.75
	Tax Audit Fees	0.80	0.80
	Certification Fees	1.48	2.78
	<b>Total (C)</b>	<b>4.03</b>	<b>5.33</b>
	<b>(Figures Include Net of Service Tax )</b>		
	<b>SELLING AND DISTRIBUTION EXPENSES</b>		
	Advertisement & Sales Promotion	47.12	34.08
	Packing and Forwarding	125.27	91.09
	Carriage Outward & Freight	98.84	72.95
	Sales Commission and Discount	320.00	348.62
	<b>Total (D)</b>	<b>591.23</b>	<b>546.74</b>
	<b>RESEARCH &amp; DEVELOPMENT EXPENSES (UNIT-2)</b>		
	Research & Development Expenses	0.56	3.27
	Salary & Wages	63.77	67.49
	Laboratory Expenses	9.73	8.47
	Travelling Expenses	7.96	-
	Raw-Material Purchases	46.17	-
	<b>Total (E)</b>	<b>128.19</b>	<b>79.23</b>
	<b>Total Amount (A+B+C+D+E)</b>	<b>4,134.03</b>	<b>3,352.68</b>
23	<b>Profit / Loss after taxation as per Profit &amp; Loss Account</b>		
	Number of equity shares outstanding	1,603.31	614.12
	Basic & Diluted Earnings per share in rupee (Equity Shares of ₹ 10/-Each)	143.78	131.78
		<b>11.15</b>	<b>4.66</b>



PARTICULARS	CURRENT YEAR Amount in ₹	PREVIOUS YEAR Amount in ₹
<b>Note No. 24. CONTINGENT LIABILITIES:</b>		
<b>A) Performance Guarantees/ Bonds</b>		
(i) Guarantee executed in favor of Assistant Collector of Customs	14,03,402	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
<b>B) Others</b>		
(iv) Guarantee given to GSPC Gas Co Ltd	72,58,388	72,58,388
(v) Guarantee given to GPCB	27,50,000	2,00,000
(vi) Estimated R.O.R to be paid to Consortium Banks (Calculations has not been given by the banks and hence final amt is yet to be calculated.)	4,91,00,000	4,91,00,000

**Note No. 25. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY**

PARTICULARS	CURRENT YEAR Amount in lacs	PREVIOUS YEAR Amount in lacs
(i) Raw Materials	17076.02	12848.10
(ii) Commission on Exports & Imports	60.44	24.78
(iii) Travelling Expenses	13.82	5.91
(iv) Earnings in foreign currency on export of goods on CIF basis (Including deemed exports)	4916.54	5787.86

**Note No.26. CONSUMPTION OF RAW MATERIAL**

PARTICULARS	%	VALUE (₹ IN LAKHS)
(i) Imported	91	18394.21
	(71)	(11651.39)
(ii) Indigenous	9	1790.86
	(29)	(4672.65)

**Note No.27. 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)	621.74 (483.23)

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.28.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	9.82 (20.12)	433.00 (431.37)	603.76 (493.53)	29502.18 (22058.39)	27.80 (9.82)	1699.31 (433.00)

**Note No.29.**

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

**Note No.30.**

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.31.**

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

**Note No.32.**

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, 2016.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.33. 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

No.	PARTICULARS	DOMESTIC	EXPORT	TOTAL
1	Segment revenue by geographical area based on geographical location of customers (including sales, service, export incentives, etc.	24585.64	4916.54	29502.18

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. 34.**

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.

## B) Key Management Personnel

- Shri Govardhan M. Dhoot
- Shri Subhash C.Khattar
- Smt Meenal Sukhani (Resigned w.e.f closure of business hours on 16/05/2016)
- Shri Brijmohan M.Dhoot.

Details of Transactions are as below:

Particular	Associates Company & others	Key Management Personnel	Total (in Lacs)
Remuneration	-	14.10	14.10
Outstanding Balance			
- Payable	471.75	-	471.75
- Rent deposit	-	7.00	7.00
- Sitting Fees	-	0.92	0.92

**Note No. 35. Employee Benefits:-**

Defined benefit plan as per actuarial valuation on March 31, 2016

I	Expense recognized in the statement of Profit & Loss for the year ended March 31,2016	Current year	Previous year
1	Current Service Cost	9,67,172.00	9,76,230.00
2	interest Cost	8,10,060.00	7,58,698.00
3	Expected return on plan assets	(8,85,832.07)	(8,09,718.22)
4	Net Auctorial gain/loss recognized in the year	55,78,964.00	1,14,975.00
5	Expenses Recognized in statement of P & L	64,70,363.93	10,40,184.78
II	Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2016		
1	Present value of obligations as at the end of year	1,69,86,066.00	1,01,43,741.25
2	Fair value of plan assets as at the end of the year	1,14,95,361.76	1,03,08,139.25
3	Funded status	(54,90,704.24)	1,64,398.00
4	Net asset/liability recognized in balance sheet	(54,90,704.24)	1,64,398.00
III	Change in obligation during the year ended March 31, 2016		
1	Present value of obligation as at beginning of year	1,01,25,741.00	94,83,724.00
2	interest Cost	8,10,060.00	7,58,698.00
3	Current Service Cost	9,67,172.00	9,76,230.00
4	Benefits paid	(4,95,871.00)	(11,89,885.75)
5	Actuarial gain /loss on obligations	55,78,964.00	1,14,975.00
6	Present value of obligation as at end of year	1,69,86,066.00	1,01,43,741.25



<b>IV Change in assets during the year ended March 31,2016</b>			
1	Fair value of plan assets at beginning of year	1,03,08,139.25	94,88,671.00
2	Expected return on plan assets	8,85,832.07	(8,09,718.20)
3	Contributions	7,97,261.44	12,17,636.03
4	Benefits paid	(4,95,871.00)	11,89,885.75
5	Actuarial gain /loss on Plan Assets	-	-
6	Fair value of plan assets at the end of year	1,14,95,361.76	1,03,08,139.25
<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	8.00%	8.00%
2	Salary Escalation	6.00%	6.00%
3	Employee Turnover rate	-	-

**Note No. 36.**

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

In terms of our report attached

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

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

**(Shri Govardhan M.Dhoot)**  
**Chairman & Managing Director**  
**(DIN:01240086)**

**(Shri Subhash C.Khattar)**  
**Director**  
**(DIN:01122941)**

**(Ms Nikita Bavishi)**  
**Company Secretary**

**(Shri Ajay Samant)**  
**Chief Financial Officer**

Place : Mumbai  
Dated : 16th May 2016



## MANGALAM DRUGS AND ORGANICS LIMITED

(CIN: L24230MH1972PLC116413)

Registered Office: Rupam Building, 3<sup>rd</sup> Floor, 239, P. D'Mello Road Mumbai – 400001, Maharashtra, India

Phone: 91-22-22616200 / 6300/8787 • Fax: 91-22-2619090

Email: [investor@mangalamdrugs.com](mailto:investor@mangalamdrugs.com) • Website: <http://www.mangalamdrugs.com>

### ATTENDANCE SLIP

#### 43<sup>rd</sup> Annual General Meeting

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

DP ID :	
CLIENT ID:	

REGD FOLIO NO. :	
NO. OF SHARES HELD :	

Full name & address of the member attending \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in if Proxy Form has been duly deposited with the Company)

I/ We hereby record my/ our presence at the 43<sup>rd</sup> Annual General Meeting of the Company to be held at KILACHAND CONFERENCE ROOM, 2nd floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai- 400 020 on Friday, the 30<sup>th</sup> September 2016 at 04.00 p.m.

\_\_\_\_\_  
Member's/ Proxy's Signature

\* Strike out whichever is not applicable

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.



### Route Map to the AGM venue

**Venue: Kilachand Conference Room, 2nd Floor, Indian Merchant Chamber, Churchgate, Mumbai 400020, Maharashtra**







## MANGALAM DRUGS AND ORGANICS LIMITED

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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 43<sup>rd</sup> Annual General Meeting of the Company to be held at KILACHAND CONFERENCE ROOM, 2nd floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai- 400 020 on Friday, the 30<sup>th</sup> September 2016 at 04.00 p.m. 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 M 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 2016-2017.		
5.	Appointment of Ms. Anuradha Sukhani, as an Independent Director for a term upto five years w.e.f 16.05.2016		
6.	Special Resolution under section 196,197 and 203 of the Companies Act, 2013, for Increase in the Managerial Remuneration of Mr. Govardhan M Dhoot, Managing Director.		

Signed this ..... day of ..... 2016.  
(Date) (Month)



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 43rd 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.





BY COURIER

*If undelivered, please return to:*

**LINK INTIME**  
INDIA PVT LTD



(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.