

**35th
Annual Report
2007-2008**



Mangalam Drugs & Organics Limited

FINANCIAL HIGHLIGHTS

(Figure in Lacs)

PARTICULARS	31-Mar-00	31-Mar-01	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08
Sales & Other Sales Income	6353.35	6431.40	6853.45	7736.90	8075.33	9046.35	10432.37	8905.38	9544.84
Profit before Interest & Depreciation	472.62	408.66	495.25	507.77	541.56	598.00	707.68	567.40	660.00
Interest	236.59	157.23	224.43	224.45	192.42	161.82	234.22	282.59	328.19
Depreciation	80.38	85.83	90.25	92.92	93.79	122.94	158.23	206.25	230.02
Profit Before Tax	155.65	165.60	180.57	190.40	255.35	313.24	315.23	78.56	101.79
Profit After Tax	136.43	147.46	136.34	134.88	190.20	274.80	269.08	66.35	85.77
Dividend (%)	10	10	5	2.5	1	2	2	-	-
Payout	11.13	11.13	5.57	5.57	6.68	26.36	26.36	-	-
Equity Capital	111.30	111.30	111.30	222.60	667.80	667.80	1317.82	1317.82	1317.82
Preference Share Capital	-	-	-	-	-	-	-	-	-
Reserves & Surplus	1023.55	1159.87	1287.88	1308.69	1066.95	1315.39	2338.15	2404.50	2490.27
Net Worth	1134.85	1271.17	1399.18	1531.30	1734.75	1983.19	3655.97	3722.32	3808.09
Borrowings:									
Long Term Loans	592.97	419.69	741.52	669.53	635.23	873.99	575.62	378.64	361.97
Short Term - Bank	955.17	1239.12	908.56	1426.09	1318.52	1424.06	1470.29	1906.41	1911.62
Short Term - Others	495.78	672.59	309.14	365.34	564.49	720.61	475.84	585.13	598.89
Total Borrowings	2043.92	2331.40	1959.22	2460.96	2518.24	3018.66	2521.75	2870.18	2872.48
Gross Block	1785.57	1906.89	1963.85	2070.08	2533.21	3373.03	4243.33	4689.27	5041.85
Less : Depreciation	439.03	522.57	610.75	697.78	780.70	903.63	1060.72	1259.97	1488.52
Net Block (Fixed Assets)	1346.54	1384.32	1353.10	1372.30	1752.51	2469.40	3182.61	3429.30	3553.33
Investments	17.93	19.01	19.27	29.76	18.92	18.95	264.79	48.05	13.89
Current Assets, Loans & Advances	2793.38	3191.98	2467.52	3182.61	3017.53	3300.42	3783.81	4274.89	4150.48
Less : Current Liabilities	979.08	992.74	481.49	592.42	535.98	804.93	1150.16	1232.25	1085.47
Net Working Capital	1814.30	2199.24	1986.03	2590.19	2481.55	2495.49	2633.65	3042.64	3065.01
Book Value (Rs) per share	101.96	114.21	125.71	68.79	25.98	29.70	27.74	24.76	25.19
Earnings (Rs) per share	12.26	13.25	12.25	6.06	2.85	4.11	2.04	0.50	0.65
Nominal value per share	10	10	10	10	10	10	10	10	10
Bonus Shares (Ratio)	-	-	-	1:1	2:1	-	-	-	-



BOARD OF DIRECTORS

GOVARDHAN M. DHOOT - Chairman

SUBHASH C. KHATTAR

RAJENDRAPRASAD MIMANI

REGISTERED OFFICE

292, PRINCESS STREET
2ND FLOOR, MUMBAI 400 002

WORKS

VAPI - UNIT 1

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

VAPI - UNIT 2

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

SANGAMNER - UNIT 3

SANGAMNER AUDYOGIK
VASAHAT LIMITED
SANGAMNER 422 805
DIST. AHMEDNAGAR, MAHARASHTRA

AUDITORS

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

BANKERS

STATE BANK OF INDIA
IDBI BANK LTD.

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MANGALAM DRUGS & ORGANICS LIMITED

Registered Office : 292, Princess Street, 2nd Floor, Near Flyover, Marine Lines, Mumbai 400 002

NOTICE

NOTICE is hereby given that the Thirty-fifth Annual General Meeting of the members of the Company will be held at the Registered Office on Tuesday, 30th September 2008 at 3.00 p.m. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended as on that date and the reports of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Govardhan M. Dhoot, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company at the registered office not less than 48 hours before commencement of the meeting.
2. 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.
3. 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.
4. 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.
5. The Company has appointed M/s. Intime Spectrum Registry 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2008 to Tuesday, 30th September 2008 (both days inclusive)
7. Change of Address /Bank details: Members are requested to inform the Company or M/s. Intime Spectrum Registry 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 address, bank details, and mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the members.
8. Members who have not encashed their dividend warrant(s) for the financial year 2004-05 and 2005-06 are requested to seek issue of duplicate warrant(s) by writing to the Company's Share Transfer Agents, M/s. Intime Spectrum Registry Limited. Any such amounts of dividend remaining unclaimed for a period of seven years from the date they become due for payment shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Kindly note that no claim shall lie against the Company or the IEPF in respect of the amounts which were unclaimed and unpaid for a period of seven years for the date that they first become due for payment and no payment shall be made in respect of any such claims.



Financial year ended	Date of the Annual General Meeting	Due date for transfer to IEPF
31.03.2005	10/09/2005	09/09/2012
31.03.2006	30/09/2006	29/09/2013

9. Appointment / Re-appointment of the Directors:

Item No.3

At the ensuing Annual General Meeting Mr. Govardhan M. Dhoot retire by rotation and being eligible offer himself for reappointment. The information/ details to be provided for the aforesaid Director under Corporate Governance Code are as under.

- | | |
|-------------------------------------|-------------------------------|
| 1. Name | Mr. Govardhan M. Dhoot |
| 2. Date of Birth | 21.10.1953 |
| 3. Educational Qualification | Commerce Background |
| 4. Date of Appointment on the Board | 16.04.1996 |
| 5. Category of Director | Chairman & Executive Director |
| 6. Experience | |

He is a Whole-time Director of the Company effective 1st November 2004. He has over three decades of experience in the Chemical Industry, handling marketing in both domestic and export market. He has traveled to many countries and visited important Industrial and Commercial Capitals all over the world.

7. Other Directorships

- Raga Organics Private Limited
- Mangalam Laboratories Pvt. Ltd.

- | | |
|---|-----|
| 8. Name of Committees in which Chairman | Nil |
| 9. Name of Committees in which Member | Nil |

10. Number of shares held in the Company. 5,25,458 equity shares.

10. Members/Proxies should bring the admission slip duly filled in for attending the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

**(GOVARDHAN M. DHOOT)
CHAIRMAN**

Registered Office:

292, Princess Street,
Near Flyover, Marine Lines,
Mumbai - 400 002

Place: Mumbai

Date: 20TH June 2008



DIRECTORS REPORT

To,
The Members of
MANGALAM DRUGS & ORGANICS LIMITED

The Directors have pleasure in presenting to you their Thirty-Fifth Annual Report and Audited Accounts for the accounting year ended 31st March 2008

1. FINANCIAL RESULTS:

(Rs. in Lacs)

	2007-2008	2006-2007
Sales	9499.90	8840.47
Other Income	44.94	64.91
Profit before Finance Expenses, Depreciation & Amortizations	684.17	591.55
Less: Depreciation & Amortizations	254.19	230.41
Finance Expenses	328.19	282.59
Profit before tax	101.79	78.55
Fringe Benefit Tax	4.67	5.21
Provision for taxation	11.35	7.00
Profit after tax	85.77	66.35
Provision for Deferred Taxation for Current Year	(29.27)	(9.71)
Profit after Deferred tax	56.50	76.05
Balance b/f from previous year	86.11	10.06
Surplus available for Appropriation	142.61	86.11
Appropriations:		
Balance carried to Balance Sheet	142.61	86.11

2. DIVIDEND:

Your Directors do not recommend any dividend for the financial year 2007-2008 (Previous Year: Rs. Nil)

3. REVIEW OF PERFORMANCE:

During the year under review, a Company made Sales of Rs. 9499.90 lacs as compared to Rs. 8840.47 lacs made in the previous year, an increase of 7.46% than the previous year. The Company made a profit before tax of Rs. 101.79 lacs as compared to Rs. 78.56 lacs made in the previous year.

4. EXPORTS:

The Company has achieved exports sales of Rs. 816.00 Lacs (Previous year Rs. 1404.87 lacs). Constant efforts are being made to boost exports.

5. FUTURE OUTLOOK

The company approach the future with planned strategy and a positive outlook. In the near term, the company expect to enter many more premium markets. Although, emphasis will be on exports, the company will continue to improve its presence in the domestic market. The plans are in place. The products are tried and tested. The Company's Employees are well-equipped and motivated to meet the future. By turning potential into profitable business strategies and replicating them across all markets, the company will continue to remain the preferred source for the customers. Our business model will be strengthened by new R & D Centre which will work to improve our existing processes of products and look to work on new products and future holds great promise.



Your Directors are pleased to inform you that during the year under review, the Company has developed/introduced new bulk drugs like :

1. **BISOPROLOL FUMARATE**
2. **PANTAPRAZOLE SODIUM**

Your company is shortly introducing following new bulk drugs :

1. **ATOVAQUONE**
2. **BRINZOLAMIDE**
3. **RABIPRAZOLE SODIUM**

6. **RESEARCH & DEVELOPMENT :**

During the year under review, your Company made process improvements to existing products, enhanced quality of products and cost were kept under control. Your Company has made investments in R & D facilities and established R & D center equipped with the latest equipments. As mentioned above, your Company has added new bulk drugs to the basket of offer on account of in-house R & D strength.

7. **FIXED DEPOSIT:**

The Company has not accepted any fixed deposits from the public during the year under review.

8. **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in **Annexure 'I'** forming part of this report.

9. **PARTICULARS OF EMPLOYEES:**

Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to the Company as there are no employees drawing remuneration exceeding the prescribed limits.

10. **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Govardhan M. Dhoot retires by rotation and being eligible, offer himself for re-appointment.

11. **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors Responsibility statement as required under Section 217 (2AA) of the Companies Act, 1956 is given hereunder:

- (i) That in the preparation of the annual accounts for the Year ended 31st March 2008 the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- (ii) That the Directors had 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 the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) That the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

12. **AUDITORS:**

M/s. Milwani Associates, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors and to fix their remuneration.

13. **CORPORATE GOVERNANCE:**

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, annexed as **Annexure 'II'** forming part of the Annual Report.



14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

15. INDUSTRIAL RELATIONS:

Cordial Industrial relations continued to prevail throughout the financial year under review.

16. 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

Place: Mumbai
Dated: 20th June, 2008

GOVARDHAN M. DHOOT
CHAIRMAN



ANNEXURE 'I' TO DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure Of Particulars in the Report of Board Of Directors) Rules, 1988

The manufacturing processes of the Company are not energy intensive; therefore impact of energy saving devices is insignificant.

I. FORM A

A. Power and Fuel Consumption

	Current Year	Previous Year
1. Electricity		
(a) Purchased Units (KWH)	34,66,379	35,19,921
Total Amount (Rs.)	1,61,06,938	1,64,34,936
Cost per unit (Rs.)	4.65	4.67
(b) Own generation		
(i) Through diesel generator (KWH)	52,634	64,226
Unit per-ltr. of diesel oil	2.17	2.61
Cost per unit (Rs.)	13.86	13.86
(ii) Through steam turbine/Generator Unit	N.A	N.A
Unit per-ltr. of fuel oil/gas	N.A	N.A
Cost per unit	N.A	N.A
2. Coal		
Quantity (Tones)	N.A	N.A
Total cost	N.A	N.A
Average rate	N.A	N.A
3. Furnace Oil		
Quantity (K.Ltrs.)	1244210	13,82,820
Total Amount (Rs.)	2,94,43,942	2,90,40,058
Average rate per K. ltrs. (Rs.)	23.66	21.00
4. Others/internal generation		
Quantity	N.A	N.A
Total cost	N.A	N.A
Rate/unit	N.A	N.A



II. FORM B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R&D)

A. Specific areas in which R & D carried out by the Company:

The focus of R & D is to meet the changing requirement of business environment. The development of activities has resulted into:

- (i) Development of Indigenous Technologies for bulk drug & intermediate, process improvements, process simplification etc.,
- (ii) Improvement of existing process to improve yields and quality, reduce cost and lead to eco-friendly process

B. Benefits derived as a result of the above R & D:

- (i) R & D efforts have helped to bring out an improvement in process, product, design & operating efficiencies.
- (ii) Development of various bulk drugs & intermediates.
- (iii) Development of new markets, for local and export markets as per requirement, quality up gradation and cost reduction.

C. Future plan of action:

- (i) Development of various bulk drugs/intermediate having good potential for local as well as export markets.
- (ii) Additional investment in Latest instrument & up gradation & strengthening of existing R & D facilities.

D. Expenditure on R & D:

- (i) The amount invested in R & D is Rs. 41 lacs.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. In lacs)

Particulars	Current year	Previous year
Foreign Exchange Earnings	816.00	1404.87
Foreign Exchange Outgo		
(i) Raw material	1532.58	1383.18
(ii) Commission	8.20	21.81
(iii) Travelling Expenses	6.07	11.71
(iv) Interest on foreign currency loan (FCNRB)	47.80	179.54
Total	1594.65	1596.24

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Dated: 20th June, 2008

GOVARDHAN M. DHOOT
CHAIRMAN



ANNEXURE 'II' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance Code

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

2. Board of Directors

The Composition of the Board of Directors of the Company meets the stipulated requirements

Name of Director(s)	Category of Directorship	No. of other directorship	No. of Committee membership in all companies	No. of Board Meetings attended	Attendance at last AGM
Mr. Govardhan M. Dhoot	Chairman Executive	2	2	11	Yes
Mr. Subhash C. Khattar	Non-Executive Independent	1	2	11	Yes
Mr. Rajendraprasad K. Mimani	Non-Executive Independent	2	2	4	No

There were 11 (eleven) Board meetings held during the year-ended 31.03.2008. These were on 09.04.2007, 14.06.2007, 29.06.2007, 30.07.2007, 11.10.2007, 29.10.2007, 18.12.2007, 29.12.2007, 31.01.2008, 28.02.2008 and 24.03.2008. The last Annual General Meeting (AGM) was held on 28.09.2007.

Code of Conduct

The Code of Conduct for the Directors and Employees of the Company has been laid down by the Board.

3. Audit Committee

The constitution of Audit Committee is as follows:

Name of Director	Category	Profession	No. of meetings attended
Mr. Subhash C. Khattar, Chairman	Non-Executive Independent	Chartered Accountant	5
Mr. Rajendraprasad K. Mimani	Non-Executive Independent	Industrialist	5
Mr. Govardhan M. Dhoot	Executive	Industrialist	5

During the year-ended 31.03.2008, five Audit Committee meetings were held. These were held on 09.04.2007, 29.06.2007, 30.07.2007, 29.10.2007 and 31.01.2008.

The role and terms of reference of the Audit Committee include review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the internal Auditors and Statutory Auditors, review of financial statements both quarterly and annual before submission to the Board, review of management discussion and analysis of financial conditions and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

**4. Remuneration of Directors**

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

Name of Director	Salary	Service Contracts	Notice Period
Mr. Govardhan M. Dhoot	Rs. 7,20,000 p.a.	01-11-04 to 31-10-09	3 months

The Non-executive / Independent directors are paid only sitting fees for attending all the meetings held and attended on a single day. 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	22,000	Nil
Mr. Rajendraprasad K. Mimani	8,000	Nil

5. Investor Grievances Committee

The constitution of Investor Grievances Committee is given below:

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

Investor Grievances

Nature of complaints received from shareholders during the year 2007-2008 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	10	10	Nil

Mr. Ajay Samant - Vice President (Finance) is the Compliance Officer of the Company.

6. General Body Meetings

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

Year	Day	Date	Time	Venue	No. of Special Resolutions passed
2005	Saturday	10-09-2005	3.00 p.m.	Hindi Vidya Bhavan, Marine Lines (W), Mumbai - 400 002	Nil
2006	Saturday	30-09-2006	4.30 p.m.	Hindi Vidya Bhavan, Marine Lines (W), Mumbai - 400 002	Nil
2007	Friday	28-09-2007	4.30 p.m.	Hindi Vidya Bhavan, Marine Lines (W), Mumbai - 400 002	Nil

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



7. Disclosures

(i) Materially significant related party transactions that may have potential conflict with the interests of company at large.	Disclosure of transactions with any related parties i.e. Promoters, Directors, Relatives, Subsidiary, or Management have been made in the Balance Sheet in Schedule 20 - Notes to Accounts at Note No. 16
(ii) Non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	None
(iii) Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.	The Company has implemented Whistle Blower Policy and we further affirm that no personnel have been denied access to the Audit Committee
(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause	The Company has complied with mandatory requirements and has adopted the following non mandatory requirements:(a) Whistle Blower Policy(b) None of the independent directors on our Board have served for a tenure exceeding nine years.

8. Means of Communication

The quarterly results were published in Free Press Journal (English Newspaper) and Navshakti (Marathi Newspaper) as required and also forwarded to the Stock Exchanges in accordance with the listing agreement. These results, official news releases will also be available on the website of the Stock Exchange, Mumbai (www.bseindia.com), The National Stock Exchange of India Limited (www.nseindia.com). No presentations were made to institutional investors or to the analysts. The Management Discussion & Analysis Report forms a part of the Annual Report.

9. General Shareholder Information:

(a) 35th Annual General Meeting - Day, Date, Time and Venue:

Day	Date	Time	Venue
Tuesday	30th September, 2008	3.00 p.m.	Regd off: 292, Princess Street 2 nd Floor Near Flyover, Mumbai - 400 002.

(b) Financial Calendar (tentative):

Financial Year	1st April to 31st March
Adoption of Quarterly Results for the quarter ending:	
June, 2008	3 rd /4 th week of July, 2008
September, 2008	Last week of October, 2008
December, 2008	Last week of January, 2009
March, 2009	Last week of May, 2009
Dates of Book Closure (Both days inclusive):	22nd Sept 2008 to 30th Sept 2008 (Both days inclusive)
Dividend Payment Date:	Not Applicable

(c) Listing on Stock Exchanges:

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

**(d) Market Price Data:**

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly Volume
April 2007	20.35	16.05	96213	20.00	15.60	327794
May 2007	18.70	15.25	63197	18.15	15.65	97583
June 2007	19.35	16.00	81138	19.75	16.00	147717
July 2007	18.90	15.10	239580	18.55	15.90	307688
August 2007	17.80	14.80	157532	18.15	15.00	113413
September 2007	21.90	16.05	322055	20.80	16.10	342176
October 2007	19.85	15.05	175017	19.50	14.10	161166
November 2007	20.50	14.35	242160	19.35	15.00	264134
December 2007	24.40	16.75	350193	23.35	16.80	230176
January 2008	25.30	14.00	279016	25.35	14.05	151131
February 2008	16.25	13.25	72211	16.25	13.30	46512
March 2008	14.90	9.80	103637	15.20	9.40	159708

(e) Registrar & Transfer Agents:

M/s. Intime Spectrum Registry Ltd.C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078

(f) Share Transfer System:

The shares of the Company are permitted for trading in dematerialisation form only. The Company's shares are available for trading in the depository systems of both NSDL and CDSL. 1,31,78,238 equity shares of the Company are in demat mode. Security Code No. with NSDL and CDSL is - ISIN No. INE584F01014.

100% shares of the Company are in demat mode as on 31st March 2008

(g) Shareholding Pattern as on 31st March, 2008:

Sr. No.	Category	No. of Shares held	%
A.	Promoters and Promoter Group		
1	Individual / Hindu Undivided Family	2994427	22.73
2	Bodies Corporate	2410320	18.29
	Total	5404747	41.02
B.	Non- Promoters Holding		
1	Institutional Investors	0	0
	Total	0	0
2	Others		
a.	Private Corporate Bodies	3428981	26.02
b.	Individuals	4262118	32.34
c.	NRIs / OCBs	42349	0.32
d.	Clearing Members	40053	0.30
	Total	7773501	58.98
	Sub-Total (1+2)	7773501	58.98
	GRAND TOTAL (A) + (B)	13178248	100.00

Distribution of Shareholding as on 31st March 2008

From	No. of Shares		No. of Shareholders		No. of Shares	
	-	To	Number	%	Number	% to total capital
1	-	500	6028	81.2180	1390415	10.5510
501	-	1000	742	9.9970	626533	4.7540
1001	-	2000	360	4.8500	567305	4.3050
2001	-	3000	92	1.2400	231211	1.7540
3001	-	4000	49	0.6600	175127	1.3290
4001	-	5000	45	0.6060	214150	1.6250
5001	-	10000	46	0.6200	334360	2.5370
10001 and above			60	0.8080	9639147	73.1440
TOTAL			7422	100.00	13178248	100.00

8. **Plant locations** : Plot No. 187-Phase II and Plot No. 1203,
Phase III, GIDC, Vapi,
Dist. Valsad, Gujarat 396 195.
Tel: 0260-2430598/2143 Fax: 0260-2431919

9. **Address for Correspondence:**

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

M/s. Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078



ANNEXURE 'III' TO DIRECTORS' REPORT

Management discussion and Analysis report

Company's philosophy on Corporate Governance Code

Your Company has complied with all the Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. The Company is committed to the consistent adherence to the said Corporate Governance Code to maintain a greater degree of responsibility and accountability.

Industry structure and developments :

The Indian pharma industry today is one of the fastest growing industry in the world. This sector is in the forefront of countries science based industries with wide ranging capabilities in the complex field of drug manufacture and technology. India's strength lies in the availability of skilled manpower, technology and relatively low cost of production. Indian companies with strict adherence to GMP and those with regulatory approvals are the favoured outsourcing partners for generic companies in regulated market. Domestic companies see increasing potential in collaborating with foreign companies and seek to capitalize on India's renowned skills and relatively low cost.

Opportunities :

Our Company is introducing new anti-malarial drugs equivalent to international standards with competitive pricing, well equipped R & D facility and Pilot Plant makes it possible to develop number of new products matching the market demand.

Risks & Concerns :

The primary threat from Chinese low priced products is being effectively counteracted by imposition of anti-dumping duties. The alignment of policies with WTO and pressure in pricing of new products are challenges that the Company is geared up to face.

Internal Control System and their adequacy :

The Company has adequate internal control system commensurate with its size and nature of business and suitable internal control system, procedure, optimum resource utilization, veracity of accounts and compliance with various statutes is ensured.

Financial and operational performance :

During the year under review, the sales turnover of the company is increased nearly by 7.45% to Rs.9499.90 Lacs as compared to Rs.8840.47 Lacs for the previous year. PAT jumped by 29.25% to Rs.85.77 lacs from Rs.66.35 for last year. The Company has achieved the export turnover of Rs.816 Lacs as compared to Rs.1405 Lacs for the previous year. Constant efforts are being made to boost the exports.

Human Resource Development & Research Activities :

The Companies success depends to a great extent on it s 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 gives it significant advantages in attracting and retaining skilled employees.

The Company employed 246 people and enjoys cordial relations with all.



DECLARATION

To

The Members of
MANGALAM DRUGS & ORGANICS LTD.

It is hereby certified and confirmed that as provided in Clause 49 1(D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2008.

For Mangalam Drugs and Organics Ltd.

G. M. Dhoot

Chief Executive Officer

Place: Mumbai

Date: 20.06.2008

Registered Office:

292, Princess Street,
Marine Lines, Mumbai 400 002.

CHIEF EXECUTIVE OFFICER CERTIFICATION

We hereby certify that:

- i. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2008 and that to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact of contain statements that might be misleading;
 - ii. 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. No transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- iii. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We have indicated to the Auditors and the Audit Committee:
 - (a) significant changes in internal control over financial reporting during the year;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) instances of significant fraud of which we have become aware.

For Mangalam Drugs and Organics Ltd.

G. M. Dhoot

Chief Executive Officer

Place: Mumbai

Date: 20.06.2008

Registered Office:

292, Princess Street,
Marine Lines, Mumbai 400 002.



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Mangalam Drugs & Organics Ltd

We have examined the compliance of conditions of corporate governance by Mangalam Drugs & Organics Ltd., for the year ended on 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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.

(CA Rakesh K. Milwani)
Proprietor: Milwani Associates

Chartered Accountants
Membership No. 36099

Place: Mumbai

Date: 20.06.2008



AUDITORS REPORT

To :

The Members of
MANGALAM DRUGS & ORGANICS LTD.
Mumbai

1. We have audited the attached Balance Sheet of **MANGALAM DRUGS & ORGANICS LIMITED** as at 31st March, 2008, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standard generally accepted in India. These Standard require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
4. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
5. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of books and records.
6. The Company has received written representation from the directors as on 31st March, 2008 and on the basis of those representation, we report that none of the director is disqualified from being appointed as director under Section 274 (1)(g) of the Companies Act, 1956.
7. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are in agreement with the books of Account.
8. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair views :
 - a) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - b) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - c) In so far as it relates to the cash flow statement, of the cash flows of the company for the year ended on that date.

(CA Rakesh K. Milwani)

Proprietor: Milwani Associates

Chartered Accountants
Membership No. 36099

Place: Mumbai

Date: 20.06.2008



Annexure to the Auditors report of the even date to the Members

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its asset. The discrepancies noticed have been properly dealt with in the books of accounts.
- (c) The asset disposed off during the year are not significant and therefore do not affect the going concern assumptions.
- ii) (a) The physical verification of inventory has been conducted at reasonable intervals by management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion the company has maintained proper records of inventory. The discrepancies between physical stock and the book stock were not material and have been properly dealt with in the books of accounts.
- iii) As informed to us, during the year the company has not granted or taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control.
- v) (a) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Act have been properly entered in the said register.
- (b) In our opinion and according to the information and explanations given to us, the transactions entered in the registers maintained under section 301 and exceeding during the year by Rupees five lakh in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public.
- vii) The internal audit function carried out during the year by a firm of chartered accountant appointed by the company and the same is in our opinion, is commensurate with its size and nature of its business.
- viii) The Company is maintaining cost records as prescribed by Central Government under section 209 (1) (b) of the Companies Act 1956 for the Company.
- ix) (a) According to the information and explanation given to us the company is generally regular in depositing undisputed statutory dues including Provident Funds, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues wherever applicable with appropriate authorities. There is no outstanding dues for a period of more than six months from the date they become payable.
- b) The following are the disputed dues which have not been deposited :

Nature of Dues	Amount (Rs. In Lacs)	Forum where dispute is Pending
1) Excise Duty 2000-01 2007-08	5.66 5.00	CESTAT, Ahmedabad Commissioner Appeals Central Excise, Vapi
Total	10.66	



Nature of Dues	Amount (Rs. In Lacs)	Forum where dispute is Pending
2) Income Tax		
a) 2000-01	22.68	Income Tax Appellant Tribunal
b) 2001-02	57.94	Income Tax Appellant Tribunal
c) 2002-03	00.86	Income Tax Appellant Tribunal
d) 2003-04	00.88	Income Tax Appellant Tribunal
e) 2004-05	12.60	Income Tax Appellant Tribunal
f) 2005-06	46.86	Commissioner of Income Tax (Appeals)
Total	141.82	

- x) The company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately year preceding.
- xi) Based on our audit procedures and on the information and explanation given by the management, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
- xii) Based on our examination and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit/nidhi/mutual benefit fund/society and therefore clause xiii of the order is not applicable.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investment.
- xv) On the basis of the information and explanation given to us the company has given corporate guarantee for loans taken by others from banks, the terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.
- xvi) In our opinion, the term loans were applied for the purpose for which they were raised.
- xvii) On the basis of our examination of the books of accounts and the information and explanation given to us, in our opinion, the funds raised on short-term basis have not been used for long term investment.
- xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) The company did not have any outstanding debentures during the year.
- xx) Based on the audit procedures performed and information and explanation given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

(CA Rakesh K. Milwani)
Proprietor: Milwani Associates

Chartered Accountants
Membership No. 36099

Place: Mumbai

Date: 20.06.2008

**BALANCE SHEET AS AT 31ST MARCH 2008**

		RUPEES IN LACS	
		31.03.2008	31.03.2007
SOURCES OF FUNDS			
I) SHAREHOLDERS FUNDS			
SHARE CAPITAL	1	1,317.82	1,317.82
RESERVES AND SURPLUS	2	2,490.27	2,404.50
		3,808.09	3,722.32
II) LOAN FUNDS			
SECURED LOANS	3	2,273.59	2,285.05
UNSECURED LOANS	4	598.89	585.13
		2,872.48	2,870.18
TOTAL FUNDS EMPLOYED (I+II)		6,680.57	6,592.50
APPLICATION OF FUNDS			
I) FIXED ASSETS			
GROSS BLOCK	5	5,041.85	4,689.27
LESS : DEPRECIATION		1,488.52	1,259.97
NET BLOCK		3,553.33	3,429.30
		3,553.33	3,429.30
II) INVESTMENTS	6	13.89	48.05
III) CURRENTS ASSETS AND LOANS AND ADVANCES			
INVENTORIES	7	1,728.44	1,311.96
SUNDRY DEBTORS	8	2,113.96	2,709.48
CASH AND BANK BALANCES	9	93.02	48.18
LOANS AND ADVANCES	10	215.06	205.27
		4,150.48	4,274.89
LESS: CURRENT LIABILITIES AND PROVISIONS	11	1,085.47	1,232.25
NET CURRENT ASSETS		3,065.01	3,042.64
IV) PRELIMINARY EXPENSES	12	48.34	72.51
(To the extent not written off)			
TOTAL FUNDS APPLIED (I+II+III+IV)		6,680.57	6,592.50
NOTES FORMING PARTS OF ACCOUNTS	20		

Schedules referred to herein form an integral part of the Balance Sheet

As per Our Report of the Even date

(CA Rakesh K. Milwani)

Proprietor: Milwani Associates

Chartered Accountants

Membership No. 36099

Place : Mumbai

Dated : 20.06.2008

Govardhan M. Dhoot

Chairman

Subhash C. Khattar

Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	SCHEDULE	RUPEES IN LACS	
		31.03.2008	31.03.2007
INCOME			
SALES AND SERVICES		9,499.90	8,840.47
OTHER INCOME	13	44.94	64.91
INCREASE /(DECREASE) IN STOCKS	14	264.01	(30.76)
		9,808.85	8,874.62
EXPENDITURE			
COST OF MATERIAL CONSUMED	15	7,387.23	5,943.73
MANUFACTURING EXPENSES	16	1,393.73	1,926.49
ADMINISTRATIVE EXPENSES	17	207.15	228.51
SELLING EXPENSES	18	136.57	184.32
FINANCE EXPENSES	19	328.19	282.59
DEPRECIATION		230.02	206.25
PRELIMINARY EXPENSES WRITTEN OFF		24.17	24.17
		9,707.06	8,796.06
PROFIT BEFORE TAX		101.79	78.56
FRINGE BENEFIT TAX PAID		4.67	5.21
PROVISION FOR CURRENT TAXATION		11.35	7.00
PROFIT AFTER TAXATION		85.77	66.35
PROVISION FOR DEFERRED TAX		29.27	(9.70)
NET PROFIT AFTER DEFERRED TAX		56.50	76.05
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		86.11	10.06
BALANCE CARRIED TO BALANCE SHEET		142.61	86.11
NOTES FORMING PART OF ACCOUNTS	20		

Schedules referred to herein form an integral part of the Balance Sheet

As per Our Report of the Even date

(CA Rakesh K. Milwani)
Proprietor: Milwani Associates

Chartered Accountants
Membership No. 36099

Place : Mumbai
Dated : 20.06.2008

Govardhan M. Dhoot
Chairman

Subhash C. Khattar
Director



SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2008

	SCHEDULE	RUPEES IN LACS	
		31.03.2008	31.03.2007
SHARE CAPITAL	1		
AUTHORISED			
(2,00,00,000 Equity Shares of Rs.10/- each) (Previous year 2,00,00,000 Equity Shares of Rs.10/- each)		2,000.00	2,000.00
		<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP			
13178248 Equity Shares of Rs 10/-each fully paid up (Previous year 13178248 Equity Shares of Rs.10/- each)		1,317.82	1,317.82
1) Pursuant to acquisition of business with undertaking of Mangalam Organics Pvt. Ltd., Mangalam Rasayan Pvt. Ltd. & Shree Mangalam Pharma Pvt. Ltd., 10,38,000 Equity Shares for value Rs.10/- each were allotted to shareholders of such companies without payment being received in cash.			
2) During financial year 2002-03, 11,13,000 Equity Shares of face value of Rs.10/- each fully paid up were allotted as bonus shares without payment being received in cash by capitalisation of General Reserve.			
3) During the year 2003-04, 44,52,000 Equity shares of Rs.10/- each fully paid up were Alloted, by way of Bonus shares by Capitalisation of General Reserves.			
4) During the year 2005-06, 65,00,248 Equity shares of Rs.10/- each fully paid up were allotted by way of Initial Public Offer, at a premium of Rs.12/- per share.		<u>1,317.82</u>	<u>1,317.82</u>
RESERVES AND SURPLUS	2		
General Reserve:			
Balance as per last Balance Sheet		1,079.05	1,079.05
		<u>1,079.05</u>	<u>1,079.05</u>
Deferred Tax :			
Balance as per last Balance Sheet		459.31	469.01
Add: Balance transferred during the year		29.27	(9.70)
		<u>488.58</u>	<u>459.31</u>
Share Premium:			
Balance as per last Balance Sheet		780.03	780.03
		<u>780.03</u>	<u>780.03</u>
Profit and Loss Account		142.61	86.11
		<u>2,490.27</u>	<u>2,404.50</u>



SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2008

	SCHEDULE	RUPEES IN LACS	
		31.03.2008	31.03.2007
SECURED LOANS	3		
Loan from Banks		361.97	378.64
Working Capital from Banks		1,911.61	1,906.41
		<u>2,273.59</u>	<u>2,285.05</u>
UNSECURED LOANS	4		
From Director's , Shareholders and Associated Companies		400.00	400.00
Sales Tax Deferred Credit		44.75	47.57
Others		154.14	137.56
		<u>598.89</u>	<u>585.13</u>

SCHEDULE ' 5 ' FOR FIXED ASSETS FOR THE YEAR 01-04-07 TO 31.03.08

(Rupees in lacs)

Particulars	Gross Block				Depreciation				Net block	
	As on 01-04-07	Additions	Deductions	As on 31.03.08	As on 01-04-07	For the year	Adjustment	As on 31.03.08	As on 31.03.08	As on 31.03.07
Land	58.41	-	-	58.41	-	-	-	-	58.41	58.41
Factory Building	527.35	13.44	-	540.79	137.26	17.87	-	155.13	385.66	390.09
Other Building	32.81	1.19	-	34.00	-	-	-	-	34.00	32.81
Plant & Machinery	3,613.22	454.92	10.23	4,057.91	961.51	188.13	-	1,149.64	2,908.27	2,651.71
Motor Car	112.13	12.70	2.85	121.98	41.78	11.08	1.47	51.39	70.59	70.35
Furniture & Fixtures	48.23	0.55	-	48.78	29.09	3.08	-	32.17	16.61	19.14
Office Equipments	82.39	1.47	-	83.86	41.73	4.38	-	46.11	37.75	40.66
Computers	50.22	3.95	-	54.17	35.48	3.50	-	38.98	15.19	14.74
Laboratory Equipments	31.00	1.06	-	32.06	11.83	1.50	-	13.33	18.73	19.17
Air Conditioner	9.89	-	-	9.89	1.29	0.48	-	1.77	8.12	8.60
Building under construction	-	-	-	-	-	-	-	-	-	-
Capital Work in Process	123.62	-	123.62	-	-	-	-	-	-	123.62
NET TOTAL	4,689.27	489.28	136.70	5,041.85	1,259.97	230.02	1.47	1,488.52	3,553.33	3,429.30
Previous Year	4,243.33	490.59	44.65	4,689.27	1,060.72	206.25	7.00	1,259.97	3,429.30	-



SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2008

SCHEDULE 6 - INVESTMENTS (at Cost)

INVESTMENTS	Face Value per share (in Rs.)	Nos. of Shares		Amount of Shares (in Lacs)	
		Current Year	Previous Year	Current Year	Previous Year
A Quoted Investments :					
1. IMP Power Ltd.	10	172,172	211,115	11.65	45.81
2. Gujarat State Finance Corpn. Ltd.	10	900	900	0.19	0.19
3. Ajanta Pharma	10	1	1	—	—
4. Alpha Drugs	10	1	1	—	—
5. Avon Organics	10	1	1	—	—
6. Fine Drugs	10	1	1	—	—
7. Hikal Chemicals	10	1	1	—	—
8. J. B. Chemicals	2	5	5	—	—
9. Kanoria Chem	10	1	1	—	—
10. Krebs Biochem	10	1	1	—	—
11. Morepen Lab	2	1	1	—	—
12. Neuland Lab	10	1	1	—	—
13. Orchid Chem	10	1	1	—	—
14. Pearl Organics	10	1	1	—	—
15. Sun Pharmaceuticals	5	1	1	—	—
16. Torrent Pharma	5	4	4	—	—
17. Torrent Gujarat	10	1	1	—	—
18. Aarti Drugs Ltd.	10	5	5	—	—
19. Granules Industries	10	1	1	—	—
20. Daurala Organics	10	1	1	—	—
Total (A)		173,100	212,044	11.84	46.00
Market value of quoted shares Rs.2,45,68,659.94					
Previous year Rs.1,94,77,440/					
B Unquoted Investments :					
1 National Savings Certificate		-	-	1.80	1.80
2 Shares of Saraswat Co-op Bank Ltd.		2,500	2,500	0.25	0.25
Total (B)		2,500	2,500	2.05	2.05
TOTAL (A+B)		175,600	214,543	13.89	48.05



SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2008

	SCHEDULE	RUPEES IN LACS	
		31.03.2008	31.03.2007
INVENTORIES	7		
(Valued at cost or market price whichever is lower as per Inventory taken valued, verified and certified by Directors)			
Raw Materials		565.07	411.27
Packing Materials		12.65	13.97
Semi Finished Goods		314.69	295.18
Finished Goods		836.03	591.54
		1,728.44	1,311.96
SUNDRY DEBTORS	8		
(Unsecured, considered good)			
Over Six Months		23.76	15.81
Others		2,090.20	2,693.67
		2,113.96	2,709.48
CASH AND BANK BALANCE	9		
Cash in hand		43.32	4.07
Balance with scheduled banks			
In Current Account		2.71	(2.00)
In Margin / Deposit Account		46.99	46.11
		93.02	48.18
LOANS AND ADVANCES	10		
(Unsecured, considered good)			
Loans & Advances (recoverable in cash or in kind or for value to be received)		177.90	170.05
Deposits		37.16	35.22
		215.06	205.27
CURRENT LIABILITES AND PROVISIONS	11		
Creditors & Other Liabilities		1,085.47	1,232.25
		1,085.47	1,232.25
PRELIMINARY EXPENSES	12		
(to extent not written off)			
Preliminary Expenses (refer note 'K' of schedule '20')		72.51	96.68
Less : Preliminary Expense written off		24.17	24.17
		48.34	72.51



SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2008

	SCHEDULE	RUPEES IN LACS	
		31.03.2008	31.03.2007
OTHER INCOME	13		
Export Benefits		23.86	27.40
Dividend		0.05	12.23
Other Income		21.03	25.28
		<u>44.94</u>	<u>64.91</u>
INCREASE\DECREASE) IN STOCK	14		
Closing Stock			
Finished Goods		836.03	591.54
Semi Finished Goods		314.69	295.18
Total (A)		<u>1,150.72</u>	<u>886.72</u>
Opening Stock			
Finished Goods		591.54	518.40
Semi Finished Goods		295.18	399.08
Total (B)		<u>886.72</u>	<u>917.48</u>
INCREASE /(DECREASE) IN STOCK(A-B)		<u>264.01</u>	<u>(30.76)</u>
COST OF MATERIAL CONSUMED	15		
Opening Stock		411.27	460.85
Add: Purchases		7,710.18	6,085.84
		8,121.45	6,546.69
Less: Balance of Closing Stock		565.07	411.27
CENVAT Availled		169.15	191.69
COST OF MATERIAL CONSUMED		<u>7,387.23</u>	<u>5,943.73</u>
MANUFACTURING EXPENSES	16		
Carriage Inward & Freight		27.93	44.84
Central Excise Duty		247.97	344.44
Job Work		109.05	82.58
Power, Fuel, Electricity & Water		478.37	491.71
Repairs and Maintenance		63.87	502.49
Salaries,Wages and Other benefits		323.13	269.47
Sales Tax Paid		91.44	129.41
Stores and Spares		51.97	61.55
		<u>1,393.73</u>	<u>1,926.49</u>



SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2008

	SCHEDULE	RUPEES IN LACS	
		31.03.2008	31.03.2007
ADMINISTRATIVE EXPENSES	17		
Auditors' Remuneration		1.65	1.65
Clearing and Forwarding		5.87	7.50
Directors Remuneration		7.20	7.20
Donation		1.44	0.01
Insurance Charges		14.07	17.73
Legal and Professional Fees		18.09	16.96
Miscellaneous Expenses		10.50	8.09
Postage and Telegram		3.62	7.29
Printing and Stationery		13.08	13.89
Rent, Rates and Taxes		3.63	4.25
Travelling and Conveyance		20.61	29.05
Vehicle Expenses		16.83	13.85
Service charges		11.52	9.26
Laboratory Expenses		23.77	28.18
Telephone telex & fax charges		12.90	11.90
Loss on sale of Vehicle		0.43	4.69
Retainership Fees		9.41	1.64
Pollution Control Exps		12.16	16.49
Membership and subscription fees		1.48	1.14
Registration & Licence Fees		4.92	9.13
Stamp Duty Expense		2.23	5.56
Computer Expense		4.59	5.40
Testing Fees		5.83	2.77
Listing Fees		-	1.16
Service & Cess Tax on Goods Transport		0.20	0.85
Watch & Ward Expense		1.12	2.87
		207.15	228.51
SELLING AND DISTRIBUTION EXPENSES	18		
Advertisement, Sales Promotion and discount		41.57	57.77
Packing and Forwarding		57.98	69.17
Sales Commission and Discount		37.02	57.38
		136.57	184.32
FINANCE EXPENSES	19		
Interest		301.78	242.99
Interest on Institutional Loans		26.41	1.96
Short term Gain/Loss on Mutual Funds		-	37.64
		328.19	282.59



SCHEDULE 20

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH, 2008.

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT 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, in accordance with the generally accepted accounting principle and provisions of Companies Act 1956, as adopted consistently by the Company.
- 2) Excise and Custom duty is accounted for at the time of clearance of the goods.
- 3) Contingent Liabilities are disclosed by way of notes to accounts.

b. REVENUE RECOGNITION: -

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

c. FIXED ASSETS

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

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.

d. METHOD OF DEPRECIATION

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

e. INVESTMENTS

Investments are stated at cost.

f. INVENTORIES

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

g. FOREIGN CURRENCY TRANSACTIONS

- i) In respect of Export of goods, the transactions in foreign currency are recorded in rupees of the amount realised 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 are considered as finance charges.

h. RETIREMENT BENEFITS

- (i) The Company makes regular monthly contribution to provident and pension fund maintained by provident fund commissioners.
- (ii) The company has taken out a policy for gratuity with L.I.C. OF INDIA. Amounts paid towards the said policy are claimed as revenue expenditure.
- (iii) The Company has provided for leave encashment for the leave balances as on 31st March 2008.

i. RESEARCH AND DEVELOPMENT

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

j. 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 recognised.

k. PRELIMINARY EXPENSES

Preliminary expense relating to Public Issue is to be written off over a period of five years starting from the financial year 2005-06 and the year amount written off is Rs.24,16,983/- (Total written off up to 31.03.2008 is Rs.72,51,020/-)

B. Notes to Accounts: -

1. CONTINGENT LIABILITIES:

PARTICULARS	CURRENT YEAR Amount in Rs.	PREVIOUS YEAR Amount in Rs.
(i) Guarantee executed in favor of Assistant Collector of Customs	11,13,936	12,17,686
(ii) Guarantee executed in favor of Export Parties.	3,81,410	3,81,410
(iii) Guarantee executed in favor of Central Excise	8,83,740	1,12,200
(iv) Guarantee given to Corporate	56,19,34,000	56,19,34,000


2. DIRECTORS REMUNERATION:

PARTICULARS	CURRENT YEAR Amount in Rs.	PREVIOUS YEAR Amount in Rs.
Salary	7,20,000	7,20,000

3. AUDITORS REMUNERATION

PARTICULARS	CURRENT YEAR Amount in Rs.	PREVIOUS YEAR Amount in Rs.
(i) For Statutory Audit *	1,12,360	1,12,360
(ii) For Tax Audit *	56,180	56,180
(iii) For Vat Audit*	16,854	16,854
(iv) For Certification & others*	28,082	40,942

* Inclusive of service Tax

4. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR Amount in Lacs	PREVIOUS YEAR Amount in Lacs
(i) Raw Materials	1532.58	1383.18
(ii) Commission on Exports	8.20	21.81
(iii) Travelling Expenses	6.07	11.71
(iv) Interest on foreign currency loan (FCNRB)	47.80	179.54
(v) Earning in foreign currency on export of goods on CIF basis (Including deemed exports)	816.00	1404.87

5. CONSUMPTION OF RAW MATERIAL

PARTICULARS	%	VALUE (Rs. in Lakhs)
(i) Imported	19 (24)	1410.53 (1403.41)
(ii) Indigenous	81 (76)	5976.69 (4540.32)



6. RAW MATERIAL CONSUMED

(As Certified by Management)

Sl. No.	ITEM	CURRENT YEAR		PREVIOUS YEAR	
		Qty (Tons)	Value (Lacs)	Qty (Tons)	Value (Lacs)
A	IMPORTED RAW MATERIAL				
1.	O.N.C.B.	20.00	18.93	40.00	19.78
2.	E.M.M.E	203.70	342.18	259.81	436.38
3.	Methane Sulphonyl Chloride	157.43	113.80	188.20	138.82
4.	Novaldamine	93.56	431.93	131.51	609.53
5.	Phenyl Ethyl Alcohol	79.40	163.86	72.00	150.90
6.	Paracetmol	-	-	10.13	14.57
7.	3Amino 4 Methoxy Acetanile	-	-	7.40	16.15
8.	Meta Amino Acetanile	-	-	8.54	17.28
9.	M.N.C.B	387.72	358.76	-	-
	Total (A)		1410.53		1403.41
	INDIGENOUS RAW-MATERIAL				
1.	Acrylonitrile	0.24	0.27	12.30	11.43
2.	Acetic Anhydride	10.21	7.17	15.97	9.98
3.	PEME	12.00	39.67	-	-
4.	Aniline	0.21	0.11	3.08	2.31
5.	Caustic Soda Lye	349.53	78.89	525.32	130.91
6.	Artesunate	0.26	30.06	-	-
7.	Ethylene Oxide	12.97	11.26	12.32	9.13
8.	Liquid Chlorine	50.80	3.48	222.60	21.79
9.	Methane Sulphonyl Chloride	0.00	0.00	8.16	6.30
10.	Methanol	3151.49	824.25	295.71	82.47
11.	Meta Amino Acetanile	2.20	4.33	-	-
12.	Nitro Benzene	77.05	42.47	317.82	155.39
13.	Nahs	261.83	77.78	185.81	68.46
14.	Phosphorus Oxichloride	117.79	53.58	157.67	75.55
15.	Phosphoric Acid	160.31	60.01	200.34	68.37
16.	Phenol	109.62	107.78	195.71	166.42
17.	Toludene	1830.73	969.94	248.71	132.74
18.	Others	-	3652.71	-	3599.07
	Total (B)		5976.69		4540.32
	Raw Material Consumed (A+B)		7387.22		5943.73


7. CAPACITIES, PRODUCTION AND SALES
(As Certified by Management)

Description of products	Licensed Capacity	Installed Capacity (Tons)	Production (Tons)
Basic Drugs / Bulk Drugs	N.A. (N.A.)	1260 (1260)	588.48 (783.18)
Dyes & Intermediates	N.A. (N.A.)	750 (750)	570.55 (312.84.)
Aluminium Chloride	N.A. (N.A.)	3350 (3350)	0.00 (44.22)
Phenyl Ethyl Alcohol, Phenyl Ethyl Methyl, Ether & Allied Products	N.A. (N.A.)	350 (350)	95.35 (165.03)
Meta Chloro Aniline & Allied Products	N.A. (N.A.)	350 (250)	333.13 (231.44)

Note : The production of MCA includes captive consumption of 112.67 mt in current year and 156.23 mt in previous year.

8. SALES AND STOCKS INCLUDING TRADING SALES (QTY. IN TONS AND VALUE IN LACS)

Particulars	Opening Stock		Sales		Closing Stock	
	QTY	VALUE	QTY	VALUE	QTY	VALUE
1. Basic Drugs / Bulk Drugs	83.37 (47.91)	445.90 (373.07)	559.69 (747.72)	6120.00 (6018.14)	112.16 (83.37)	680.60 (445.90)
2. Dyes, Chemicals, Intermediates & Allied Products	40.78 (21.67)	78.25 (45.30)	551.44 (293.73)	2586.37 (2149.54)	59.89 (40.78)	109.35 (78.25)
3. Aluminium Chloride	- (94.73)	- (35.09)	- (138.95)	- (58.76)	- (0.00)	- (0.00)
4. Phenyl Ethyl Alcohol, Phenyl Ethyl Methyl, Ether & Allied Products	2.56 (13.10)	8.38 (41.24)	86.69 (175.57)	310.49 (513.45)	11.22 (2.56)	37.15 (8.38)
5. Meta Chloro Aniline & Oranger Crystal & allied product	26.92 (3.47)	59.01 (23.70)	243.00 (51.76)	483.04 (100.58)	4.38 (26.92)	8.93 (59.01)

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

10. SECURED LOANS

- i) Term loan from State Bank of India and IDBI Bank are secured by the way of;
 - a) First Pari Passu charge on all the immovable and movable assets present and future of the company situated at Vapi.
 - b) Second Pari Passu charge on all the immovable and movable assets present and future of the company situated at Sangamner.



- ii) Working Capital Facilities from State Bank of India and IDBI Bank Ltd. is secured by
- Hypothecation of Raw material, finished Goods and semi finished goods, and book debts
 - First Pari Passu charge on all the immovable and movable assets present and future of the company situated at Sangamner.
 - Second charge on the immovable & movable assets present & future of the company situated at Vapi.
11. 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.
12. Number of employees in respect of remuneration of Rs. 24,00,000/-P. A. or more if employed throughout the financial year (or Rs. 2,00,000/- if employed for the part of the period) is NIL.
13. Secured Loans include Rs. 1,58,07,289/- repayable within one year.
14. The Company has sent confirmation letter to all parties to ascertain from them whether they are Small Scale Industries. From the details amount due to small scale Industries, sum cannot be established. Since the relevant details are not available to the Company.

15. Segment Information

Primary Segments – Business Segment

Sr. No.	PARTICULARS	BULK DRUGS	CHEMICALS & OTHERS	TOTAL
a)	Segment Revenue			
	Sales	6120.00	3379.90	9499.90
	Total segment	6120.00	3379.90	9499.90
	Export Benefits	-	23.85	23.85
b)	Segment Results	594.01	412.79	1006.80
	Unallocated Corporate Expenses			(367.89)
	Finance Expenses			(328.19)
	Other Income			21.09
	Depreciation			(230.02)
	Profit Before Tax			101.79

Secondary Segments – Geographical Segments

Sr. No.	PARTICULARS	DOMESTIC	EXPORT	TOTAL
1	Segment revenue by geographical area based on geographical location of customers (including sales, service, export incentives, etc.	8683.90	816.00	9499.90

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.

16. Related party disclosures as required by Accounting Standard – AS 18 “ Related parties disclosures” issued by Institute of Chartered Accountants of India are given below :
- A) Associate Companies and others
- ◆ Raga Organics Private Ltd.
 - ◆ Mangalam Laboratories Pvt. Ltd.



Mangalam Drugs & Organics Limited

- B) Key Management Personnel
- ◆ Shri Govardhan M. Dhoot
 - ◆ Shri Subhash C. Khattar
 - ◆ Shri Rajendraprasad K. Mimani
- C) Relatives of Key Management Personnel
- ◆ Shri Brijmohan M. Dhoot

Details of Transactions are as below :

Particular	Associates Company & others	Key Management Personnel	Relatives & Key Management personnel	Total (in Lacs)
Remuneration	-	7.20	2.40	9.60
Rent paid	-	3.00	-	3.00
Outstanding Balance				
- Payable	400.00	-	-	400.00
- Rent deposit	-	7.00	-	7.00

17. Earning per Share (EPS) :-

Particulars	Current Year	Previous Year
A. Net Profit after Tax (before Deferred Tax) (Rs. In lacs)	85.77	66.35
B. Weighted average number of Equity Shares (no's)	1,31,78,248	1,31,78,248
C. Basic & Diluted Earning Per Share (EPS) (A/B) (in Rs.)	0.65	0.50
D. Nominal Value per Equity Share (in Rs.)	10.00	10.00
E. Book Value Per Share (in Rs.)	25.19	24.76

18. The Deferred Tax Liability relating to Timing different 488.58 459.31
19. Previous year figures have been regrouped/restated wherever necessary to confirm with this periods classification.

(CA Rakesh K. Milwani)
Proprietor: Milwani Associates

Chartered Accountants
Membership No. 36099

Place : Mumbai
Dated : 20.06.2008

Govardhan M. Dhoot
Chairman

Subhash C. Khattar
Director



21 CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	2007/2008 (Rs. In Lacs)	2006/2007 (Rs. In Lacs)
A Cash Flow from Operating Activities		
‘Net Profit before Tax	101.79	78.56
Adjustment for :		
‘Depreciation	230.02	206.25
Preliminary Expenses Written off	24.17	24.17
‘Loss on sales of Fixed Assets	0.43	4.69
Profit/Loss on sales of Investments	(9.67)	28.40
‘Dividend Income	(0.05)	(12.23)
‘Interest Expenses	328.19	282.59
‘Operating Profit before Working Capital changes	674.88	612.43
Adjustment for :		
‘Trade & Other receivables	649.45	(503.04)
‘Inventories	(416.48)	81.61
‘Trade Payable	(146.78)	108.45
‘Cash generated from Operation	761.07	299.45
Less :		
‘Taxes Paid	(79.75)	(90.94)
Net Cash from Operating Activities	681.32	208.51
B Cash Flow from Investing Activities		
‘Purchase of Fixed Assets / Capital Expenditure	(355.44)	(458.33)
‘Sale of fixed Assets	0.96	0.71
‘Purchase/ Sale of Investments	34.16	216.74
‘Profit on Sale of Investment	9.67	(28.40)
‘Dividend received	0.05	12.23
‘Net Cash from Investing Activities	(310.60)	(257.05)
C Cash Flow from Financing Activities		
‘Repayment of Long Term Loan	(19.49)	(200.62)
‘Short Term borrowings	21.80	549.05
‘Dividend Paid	-	(26.36)
‘Interest Expenses	(328.19)	(282.59)
‘Net Cash from Financing Activities	(325.88)	39.48
Net decrease in cash & cash Equivalents (A+B+C)	44.84	(9.06)
Opening Balance of Cash & Cash Equivalents	48.18	57.24
Closing Balance of Cash & Cash Equivalents	93.02	48.18

(CA Rakesh K. Milwani)
Proprietor: Milwani Associates

Chartered Accountants
Membership No. 36099

Place : Mumbai
Dated : 20.06.2008

Govardhan M. Dhoot
Chairman

Subhash C. Khattar
Director



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS :-

Registration No. (CIN) : L24230MH1972PLC116413

Balance Sheet Date : 31032008

STATE CODE :

11

II CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousand)

Public Issue NIL Right Issue NIL

Bonus Issue NIL Private Placement NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.Thousand)

Total Liabilities 668057 Total Assets 668057

SOURCES OF FUNDS

Paid up Capital 131782 Reserves and Surplus 249027

Secured Loan 227359 Unsecured Loan 59889

APPLICATION OF FUNDS :

Net Fixed Assets 355333 Investment 1389

Net Current Assets 306501 Misc. Expenditure 4834

IV PERFORMANCE OF THE COMPANY (Amount in Rs.Thousand)

Turnover & Other Income 980885 Total Expenditure 970706

Profit Before Tax 10179 Profit After Tax 8577

Earning per Share 0.65 Dividend Rate NIL

V GENERAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY :

Item Code No. : 293921
(ITC Code)

Product Description : Chloroquine Phosphate I.P.

Item Code No. : 282732
(ITC Code)

Product Description : Aluminium Chloride Anhydrous

Item Code No. : 319801004
(ITC Code)

Product Description : Dyes and Intermediates

Shri Govardhan M. Dhoot
Chairman

Place : Mumbai
Date : 20.06.2008

Shri Subhash C. Khattar
Director



MANGALAM DRUGS & ORGANICS LIMITED

Registered Office : 292, Princess Street, 2nd Floor, Near Flyover, Marine Lines, Mumbai 400 002

ATTENDANCE SLIP 35th Annual General Meeting

Please fill in Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slips on request. Please bring your copy of the Annual Report for reference at the Meeting.

NAME AND ADDRESS OF THE SHAREHOLDER

Folio No. _____
DP ID. _____
Client ID. _____
No. of Shares held _____

I hereby record my presence at the 35th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office on Tuesday, 30th September 2008 at 3.00 p.m.

SIGNATURE OF THE SHAREHOLDER/PROXY * _____

* Strike out whichever is not applicable

--- TEAR HERE ---



MANGALAM DRUGS & ORGANICS LIMITED

Registered Office : 292, Princess Street, 2nd Floor, Near Flyover, Marine Lines, Mumbai 400 002

PROXY FORM 35th Annual General Meeting

Folio No. _____
DP ID. _____
Client ID. _____
No. of Shares held _____

I/We, _____ of

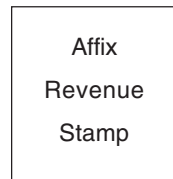
_____ being a member / members of

MANGALAM DRUGS & ORGANICS LIMITED hereby appoint or failing him _____

of _____ as my/our proxy to vote for me/us and on my/our behalf at the

35th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office on Tuesday, 30th September 2008 at 3.00 p.m. or at any adjournment thereof.

Signed this _____ day of _____ 2008.



NOTES : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

The Proxy need not be a member of the Company.

BOOK-POST

If undelivered, please return to :

INTIME SPECTRUM REGISTRY LIMITED

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup (West)

Mumbai 400 078