



39th Annual Report 2011 - 12

Mangalam Drugs and Organics Limited
(AN ISO 9001 & WHO - GMP COMPANY)

FINANCIAL HIGHLIGHTS

(Rupees in Lacs)

PARTICULARS	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12
Sales & Other Sales Income	8075.33	9046.35	10432.37	8905.38	9544.84	10277.49	11275.82	12797.96	15413.59
Profit before Interest & Depreciation	541.56	598.00	707.68	567.40	660.00	921.46	1089.61	1313.62	1503.86
Interest	192.42	161.82	234.22	282.59	328.19	513.21	572.19	685.93	1016.43
Depreciation	93.79	122.94	158.23	206.25	230.02	258.41	297.12	327.30	373.64
Profit Before Tax	255.35	313.24	315.23	78.56	101.79	149.84	220.30	300.39	113.79
Profit After Tax	190.20	274.80	269.08	66.35	85.77	126.84	182.30	242.39	113.79
Dividend (%)	1	2	2	-	-	-	-	-	-
Payout	6.68	26.36	26.36	-	-	-	-	-	-
Equity Capital	667.80	667.80	1317.82	1317.82	1317.82	1317.82	1317.82	1317.82	1317.82
Reserves & Surplus	1066.95	1315.39	2338.15	2404.50	2490.27	2617.11	2799.41	2424.98	2488.35
Net Worth	1734.75	1983.19	3655.97	3722.32	3808.09	3934.93	4117.23	3742.80	3806.17
Borrowings:									
Long Term Loans	635.23	873.99	575.62	378.64	361.97	925.59	852.35	1233.66	1531.26
Short Term - Bank	1318.52	1424.06	1470.29	1906.41	1911.62	2031.75	2288.67	2683.65	3265.11
Short Term - Others	564.49	720.61	475.84	585.13	598.89	687.91	881.86	1208.80	1279.64
Total Borrowings	2518.24	3018.66	2521.75	2870.18	2872.48	3645.25	4022.88	5126.11	6076.01
Gross Block	2533.21	3373.03	4243.33	4689.27	5041.85	6101.32	6682.90	7790.55	8407.70
Less : Depreciation	780.70	903.63	1060.72	1259.97	1488.52	1746.93	2030.48	2343.96	2708.93
Net Block (Fixed Assets)	1752.51	2469.40	3182.61	3429.30	3553.33	4354.39	4652.42	5446.59	5698.77
Investments	18.92	18.95	264.79	48.05	13.89	13.89	14.40	14.40	14.44
Current Assets, Loans & Advances	3017.53	3300.42	3783.81	4274.89	4150.48	4546.02	4902.01	5864.18	6481.32
Less : Current Liabilities	535.98	804.93	1150.16	1232.25	1085.47	1358.29	1428.72	1839.44	1648.46
Net Working Capital	2481.55	2495.49	2633.65	3042.64	3065.01	3187.73	3473.29	4024.74	4832.86
Book Value (Rs) per share	25.98	29.70	27.74	24.76	25.19	25.65	26.82	28.40	28.88
Earnings (Rs) per share	2.85	4.11	2.04	0.50	0.65	0.96	1.38	1.58	0.48
Nominal value per share	10	10	10	10	10	10	10	10	10
Bonus Shares (Ratio)	2:1	-	-	-	-	-	-	-	-



BOARD OF DIRECTORS

GOVARDHAN M. DHOOT – CHAIRMAN
SUBHASH C. KHATTAR
RAJENDRAPRASAD MIMANI

REGISTERED OFFICE

292, PRINCESS STREET
2ND FLOOR, NEAR FLYOVER,
MARINE LINES, MUMBAI-400002

WORKS

VAPI – UNIT 1

PLOT NO. 187, GIDC
VAPI, DIST. BULSAR
GUJARAT 396195

VAPI – UNIT 2

PLOT NO. 1203, GIDC
VAPI, DIST. BULSAR
GUJARAT 396195

AUDITORS

M/S. MILWANI ASSOCIATES
CHARTERED ACCOUNTS
BAGARIA HOUSE, 1ST FLOOR
KOLBHAT LANE, MUMBAI-400002

BANKERS

STATE BANK OF INDIA
IDBI BANK LTD.
PUNJAB AND MAHARASHTRA CO-OP. BANK LTD.

CONTENTS

Board of Directors	1
Notice	2
Directors' Report	4
Report on Corporate Governance.....	8
Management Discussion & Analysis	15
Auditors' Report	17
Balance Sheet.....	20
Profit and Loss Account	21
Cash Flow Statement.....	22
Notes	23



NOTICE

NOTICE is hereby given that the Thirty-ninth Annual General Meeting of the Members of **Mangalam Drugs & Organics Limited** will be held at the Registered office of the Company at 292, Princess Street, 2nd Floor, Near Fly over, Marine Lines, Mumbai – 400 002 on Thursday, 27th September 2012 at 11.00 a.m. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss Account for the year ended on that date and the reports of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr.Subhash C Khattar, 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 the 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. 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.
6. The Annual Report of the Company for the year 2011-2012 is also uploaded on the Company's website www.mangalamdrugs.com in the "Investor Relations" Section.
7. Members holding shares in electronic form are requested to intimate any change in their address, E-mail ID and signature to their respective Depository Participants with whom they are maintaining their demat accounts. Members as 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.
8. 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.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September 2012 to 27th September 2012 (both days inclusive) for the purpose of Annual General Meeting.
10. **Change of Address /Bank details:**
Members are requested to inform the Company or 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 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.
11. 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. Link Intime India Private 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 declaration of dividend	Last date for claiming unpaid dividend
31.03.2005	10/09/2005	09/09/2012
31.03.2006	30/09/2006	29/09/2013

12. A brief profile of Mr. Subhash C. Khattar – director retire by rotation referred to item no. 2 of the Notice required by Clause 49IV G of the Listing Agreement with the Stock exchanges is given below:

1.	Name	Mr. Subhash C. Khattar,
2.	Date of Birth	3 rd July, 1939
3.	Educational Qualification	Chartered Accountant
4.	Date of Appointment on the Board	04.06.2004
5.	Category of Director	Non-Executive Independent
6.	Experience	He is a Non-Executive Independent Director of the Company effective 4 th June 2004. He is a Chartered Accountant having about 43 years of experience. He specializes in taxation and auditing. He is on the statutory panel of Bank Audits and other public sector under takings (PSUs) and private company.
7.	Other Directorships	APEXO MELWARES PRIVATE LIMITED
8.	Name of Committees in which Chairman	Nil
9.	Name of Committees in which Member	Nil
10.	Number of shares held in the Company.	Nil

13. Members/Proxies should bring the admission slip duly filled in for attending the meeting.
14. The Ministry of Corporate Affairs, vide its General Circular No. 18/2011 dated 29th April, 2011, has clarified that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical forms are requested to provide their e-mail ID to the Company's RTA, M/s. Link Intime India Pvt. Ltd. by filling the form available on the Company's website and also update the e-mail address as and when there is any change.

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
Dated : 23rd July 2012



DIRECTORS' REPORT

To,
The Members of
MANGALAM DRUGS & ORGANICS LIMITED

The Directors have pleasure in presenting to you their Thirty ninth Annual Report and Audited Accounts for the accounting year ended 31st March 2012

1. FINANCIAL RESULTS:

(Rs. in Lacs)

	2011-2012	2010-2011
Revenue from operations	15318.19	12738.49
Other Income	95.40	59.47
Profit before Finance Expenses, Depreciation & Amortizations	1503.86	1313.62
Less: Depreciation & Amortizations	373.64	327.30
Finance Expenses	1016.43	685.93
Profit before tax	113.79	300.39
Provision for taxation	22.00	58.00
Profit after tax	91.79	242.39
Provision for Deferred Taxation for Current Year	28.42	33.55
Profit after Deferred tax	63.37	208.84
Balance b/f from previous year	565.90	357.06
Surplus available for Appropriation	629.27	565.90
Appropriations:		
Balance carried to Balance Sheet	629.27	565.90

2. DIVIDEND:

Keeping in view the current economic scenario & future fund requirement towards capital expenditure & expansion, your Directors do not recommend any dividend for the financial year 2011-2012 (Previous Year: Rs Nil)

3. REVIEW OF PERFORMANCE:

During the year under review the operating income of the Company has increased by 19.70% from Rs.13135.55 Lacs for 2010-11 to Rs. 15723.25 Lacs in 2011-12. However, during the last 4-6 months Indian Rupee had depreciated over 20% vis-a-vis US Dollar.

Due to this foreign exchange volatility your company has incurred foreign exchange transaction loss to the tune of Rs. 145 Lacs .Further during the year your company had incurred additional cost towards office rent to the tune of Rs. 52/-Lacs as your office building was declared by BMC as unfit for occupation and your company was forced to shift in Fort area. All the above factors have put tremendous pressure on the profitability of the company due to which the operating profit before tax has gone down from Rs. 300.39/-Lacs in 2010-2011 to Rs. 113.29/-Lacs in 2011-2012.

4. EXPORTS:

The Company has achieved exports sales of Rs. 1037.44 lacs as against export sales of Rs. 1120.61 lacs made in the previous year. Constant efforts are being made to boost exports.

5. FUTURE OUTLOOK:

In line with any healthcare entity engaged in addressing the unmet therapeutic needs in conjunction with protection of Stakeholder interests; your company has revised its focus for the anticipated times to emerge due to global economic slowdown. The global antimalarial market has developed some unprecedented disturbances throughout the supply chain and hence your company has chosen to develop certain products in other segments like anti-infective and antihypertensive. Having 6 approved DMFs with WHO and 6 more in various stages of scrutiny throughout the global regulatory agencies, we have plans to submit 3 DMF in Antiviral and anti-infective area.

6. RESEARCH & DEVELOPMENT :

Your company has the Research and Development department (R & D) with prestigious recognition from CSIR; the approval which was obtained in last quarter 2011 subsequent to scrutiny by CSIR officials. Regulatory affairs and Intellectual property rights cells continue to help the synthesis efforts of R and D engaged in upgrading the existing processes. There is constant effort to reduce, recycle and re-use all resources for conservation and waste reduction, wherever feasible, new processes and improvement, developed are scaled up in the company's pilot plant facility. New product pipeline has 3 promising API scheduled for piloting in every 3rd month. These APIs have very impressive volumes



in local market. The selection and timely development of these APIs has been an outcome of close interaction with marketing department. Your company has one of the most effective R and D team comprised of 15 scientists responsive to extremely competitive market.

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:

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is 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 no employee 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. Subhash C. Khattar 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 2012 the applicable accounting standards has 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. COST AUDITORS:

The Central Government has approved the appointment of M/s. Giri Krishna. S. Maniar cost accountants for conducting cost audit of the Company for the financial year 2011-12. For the year 2010-11 the cost auditor has duly filed the cost audit report.

14. CORPORATE GOVERNANCE:

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

15. 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.

16. INDUSTRIAL RELATIONS:

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

17. 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 : 23rd July, 2012

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

A. CONSERVATION OF ENERGY:

- (a) **Energy conservation measures taken:** 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) **Additional investment and proposals, if any being implemented for reduction of consumption of energy:** NIL
- (c) **Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact of the cost of production of goods:** The above measure will help in reducing cost.
- (d) **Total energy consumption per unit of production as per Form A in respect of industries specified in the Schedule**

FORM A

Form for disclosure of particulars with respect to conservation of energy.

Power and Fuel Consumption

	Current Year	Previous Year
1. Electricity		
(a) Purchased Units (KWH)	55,47,588	45,99,108
Total Amount (Rs.)	3,22,64,648	2, 52, 48, 922
Cost per unit (Rs.)	5.82	5.49
(b) Own generation		
(i) Through diesel generator (KWH)	85,563	83,160
Unit per-ltr. Of diesel oil	5.80	5.80
Cost per unit (Rs.)	30.15	29.96
(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. Others/internal generation		
Quantity	16, 76,970	15, 18,364
Total cost	3, 78, 02, 785	2, 85, 03,840



Rate/unit	22.54	18.77
-----------	-------	-------

B. TECHNOLOGY ABSORPTION :**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:**

- (i) Study and optimization of processing parameters in the manufacture of antimalarial APIs.
- (ii) Quality up gradation 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 R&D

- (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. 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.

d. Expenditure on R&D

- (i) Total (capital & recurring) : 171.11 lacs
- (ii) Total expenditure as a percentage of total turnover : 1%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**a. Efforts in brief made towards absorption, adaptation and innovation:**

- (i) Development of patent-non-infringing processes for antimalarial and antiviral APIs.
- (ii) Generation of innovative new chemical entities to achieve "Single-dose-cure" in Antimalarial Segment.

b. Benefits derived as results of the above efforts: e.g. output improvement, cost reduction, product development, import substitutions etc.

- (i) Expansion of product portfolio to cater to emerging markets.
- (ii) Improvement in operational efficiency through reduction in batch time cycles, increase in batch size and simplification of processes.

c. Details of imported Technology.

No technology has been imported for last 5 years.

C. 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
Foreign Exchange Earnings	1037.44	1120.61
Foreign Exchange Outgo		
(i) Raw material	4194.60	1137.14
(ii) Commission	10.42	10.75
(iii) Travelling Expenses	7.30	4.07
Total	4212.32	1151.96

FOR AND ON BEHALF OF THE BOARD



Place : Mumbai
Dated : 23rd July, 2012

GOVARDHAN M. DHOOT
CHAIRMAN

ANNEXURE 'II' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance Code:

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

2. Board of Directors:

The Composition of the Board of Directors of the Company meets the stipulated requirements. The Board of Directors comprised three members consisting of two non – executive and independent director. The following table gives details of directorship, category, attendance at board meetings and at the last Annual General Meeting and number of membership of Board / Committees of various other companies:

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	15	Yes
Mr. Subhash C. Khattar	Non-Executive & Independent	1	2	15	Yes
Mr. Rajendraprasad K. Mimani	Non-Executive & Independent	2	2	5	No

There were 15 (fifteen) Board meetings held during the year-ended 31.03.2012. These were on 25th April 2011, 25th May 2011, 30th May 2011, 1st July 2011, 12th August 2011, 5th September 2011, 19th September 2011, 11th October 2011, 31st October 2011, 4th November 2011, 10th November 2011, 3rd December 2011, 13th February 2012, 28th February 2012 and 12th March 2012. The last Annual General Meeting (AGM) was held on 29th September 2011.

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for their consideration.

No Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 1956.

None of the Independent Directors have any material pecuniary relationship or transaction with the Company.

Code of Conduct:

The Code of Conduct for the Directors and Employees of the Company has been laid down by the Board. The declaration by Mr. Govardhan M Dhoot, Whole time Director of the company regarding compliance by the Board members and Senior management personnel, with the said code of conduct is given as Annexure to this Report.

3. Audit Committee:

The Audit Committee of the Company is constituted pursuant to the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges. 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	4
Mr. Rajendraprasad K. Mimani	Non-Executive & Independent	Industrialist	4
Mr. Govardhan M. Dhoot	Executive	Industrialist	4

During the year-ended 31.03.2012, four Audit Committee meetings were held. These were held on 30th May 2011, 12th



August 2011, 10th November 2011 and 13th February 2012.

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.

For Audit Committee meetings, the Internal and Statutory Auditors are invited and generally attended by the Whole – time Director, Vice President (Finance) and General Manager (Accounts).

4. Remuneration of Directors:

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

Name of Director	Salary (Rs.)(p.a.)	Service Contracts	Notice Period
Mr. Govardhan M. Dhoot	720,000	01-11-2009 to 31-10-2014	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	30000	Nil
Mr. Rajendraprasad K. Mimani	8000	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 2011-2012 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	2	2	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
2009	Tuesday	29-09-2009	3.00 p.m.	292, Princess Street, 2 nd Floor, Near Flyover, Marine Lines, Mumbai – 400 002	Nil
2010	Thursday	30-09-2010	3.00 p.m.	292, Princess Street, 2 nd Floor, Near Flyover, Marine Lines, Mumbai – 400 002	Nil
2011	Thursday	29-09-2011	3.00 p.m.	C/o. IMP Powers Limited, 35C, Popular Press Building, 2nd Floor, Pt. M.M. Malviya Road, Tardeo, Mumbai- 400 034	Nil



Mangalam Drugs & Organics Limited

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

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

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

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding Shares lying in the suspense account at the beginning of the year i.e. as on April 1, 2011.	17	3714
Number of shareholders who approached to the Issuer, Registrar for transfer of shares from suspense account during the Financial Year 2011-12.	0	0
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2011-12.	0	0
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, 2012.	17	3714

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 Notes to Accounts at Note No. 16
(ii)	Non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	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 available on the website of The Bombay Stock Exchange (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) 39th Annual General Meeting – Day, Date, Time and Venue:

Day	Date	Time	Venue
-----	------	------	-------



Thursday	27 th September, 2012	11.00 A.m.	292, Princess Street, 2 nd Floor, Near Flyover, Marine Lines, Mumbai – 400 002
----------	----------------------------------	------------	---

(b) Financial Calendar (tentative):

Financial Year	1 st April to 31 st March
Adoption of Quarterly Results for the quarter ending: June, 2012 September, 2012 December, 2012 March, 2013	3 rd /4 th week of July, 2012 Last week of October, 2012 Last week of January, 2013 Last week of May, 2013
Dates of Book Closure (Both days inclusive):	20 th September 2012 to 27 th September 2012 (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 (no. of shares)	High (Rs.)	Low (Rs.)	Monthly Volume (no. of shares)
April 2011	15.99	11.35	52835	16.00	11.80	64001
May 2011	15.20	12.48	39135	16.50	12.25	52533
June 2011	14.39	12.09	27343	15.40	11.90	47917
July 2011	15.90	11.10	40745	15.80	12.10	46059
August 2011	16.14	10.90	50974	14.85	12.00	128163
September 2011	14.99	12.51	59969	16.00	12.55	74021
October 2011	14.84	13.00	52708	16.95	13.05	63091
November 2011	14.50	12.01	44245	14.45	12.05	48189
December 2011	14.00	9.67	63381	14.25	9.00	79547
January 2012	11.87	9.59	63733	12.00	9.60	49114
February 2012	14.50	11.25	183812	14.60	11.00	152726
March 2012	12.24	9.65	79443	12.30	9.85	37118

(e) Registrar & Transfer Agents:

M/s. Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (West), Mumbai – 400 078
 Telephone No. 022 – 25963838 Fax No.022 – 2596 6969

(f) Share Transfer System:



Mangalam Drugs & Organics Limited

The shares of the Company are permitted for trading in dematerialization form only. The Company's shares are available for trading in the depository systems of both NSDL and CDSL. Security Code No. with NSDL and CDSL is - ISIN No. INE584F01014. About 99.98% shares of the Company are in demat mode as on 31st March 2012.

(g) Shareholding Pattern as on 31st March, 2012:

SN	Category	No. of Shares held	%
A.	Promoters and Promoter Group		
1	Individual / Hindu Undivided Family	3184595	24.17
2	Bodies Corporate	2475560	18.79
	Total	5660155	42.95
B.	Non- Promoters Holding		
1	Institutional Investors	0	0
	Total	0	0
2	Others		
	a. Private Corporate Bodies	3026126	22.96
	b. Individuals	4356920	33.06
	c. NRIs / NRNs	36199	0.28
	d. Clearing Members	98848	0.75
	Total	7518093	57.05
	Sub-Total (1+2)	7518093	57.05
	GRAND TOTAL (A) + (B)	13178248	100.00

Distribution of Shareholding as on 31st March 2012:

No. of Shares			No. of Shareholders		No. of Shares	
From	-	To	Number	%	Number	% to total capital
1	-	500	5233	79.4926	1151628	8.7389
501	-	1000	676	10.2689	574549	4.3598
1001	-	2000	325	4.9370	513257	3.8947
2001	-	3000	96	1.4583	247820	1.8805
3001	-	4000	54	0.8203	195403	1.4828
4001	-	5000	54	0.8203	261597	1.9851
5001	-	10000	66	1.0026	487627	3.7002
10001 and above			79	1.2001	9746367	73.9580
TOTAL			6583	100.00	13178248	100.00

10. Plant locations : **Unit No. 1 & 2**
 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

11. 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,
LBS Marg, Bhandup (West),
Mumbai – 400 078

DECLARATION

To
The Members of
MANGALAM DRUGS & ORGANICS LIMITED

It is hereby certified and confirmed that as provided in Clause 49 1(D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2012.

For **MANGALAM DRUGS AND ORGANICS LIMITED**

Place : Mumbai
Dated : 23rd July, 2012

GOVARDHAN M. DHOOT
CHIEF EXECUTIVE OFFICER

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, 2012 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 LIMITED**



Mangalam Drugs & Organics Limited

Place : Mumbai
Dated : 23rd July, 2012

GOVARDHAN M. DHOOT
CHIEF EXECUTIVE OFFICER

Registered Office:
292, Princess Street, Marine Lines, Mumbai 400 002.

COMPLIANCE CERTIFICATE ON CORPORATE 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 on 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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 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**



Place : Mumbai
Date : 23rd July 2012

Chartered Accountants
(Rakesh K. Milwani)
Proprietor
Membership No. 036099
Firm Registration No. 106405W

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 organization are inculcated and manifested. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability throughout the organization.

Industrial Structure and Development:

Outlook in the Indian Pharmaceutical companies remains favorable as the overall growth momentum in domestic market is back on track. Indian companies are focusing on global generic and API business, R&D activities and manufacturing alliances. India is also fast emerging as a preferred pharmaceuticals manufacturing location. Your company has received WHO GMP Local and Geneva approvals for its API manufacturing plant. The company has also been awarded ISO 9001-2008 Quality Management System Certificate from DNV. The antimalarial API's identified by WHO are in our product range. The formulators of these API's prequalified by WHO are our partners.

Opportunities:

During the last 4-6 months the Indian Rupee had depreciated by over 20% vis-à-vis US Dollars. This has added the competitive advantage of Indian Exporters. While competing in global market, Indian companies have significantly added to their manufacturing capacities which will allow them to maintain this growth momentum. We look forward to achieving new records in the coming years taking full advantage of the opportunities offered by the market.

Threat Risk & Concern:

Your company is monitoring the global pharmaceutical market and its likely impact on the performance of the company and taking the necessary steps to overcome itself from the same. Your company perceives risks or concern, common to industry such as foreign exchange volatilities, regulatory risk, rising raw material cost, higher interest rate etc., and other business and commercial related risks.

Financial & Operational Performance:

During the year under review the operating income of the Company has increased by 19.70% from Rs.13135.55 Lacs for 2010-11 to Rs. 15723.25 Lacs in 2011-12. However, during the last 4-6 months Indian Rupee had depreciated over 20% vis-a-vis US Dollar.

Due to this foreign exchange volatility your company has incurred foreign exchange transaction loss to the tune of Rs. 145 Lacs. Further during the year your company has to incur additional cost towards office rent to the tune of Rs. 52/- Lacs as your office building was declared by BMC as unfit for occupation and your company was forced to shift in Fort area. All the above factors have put tremendous pressure on the profitability of the company due to which the operating profit before tax has gone down from Rs. 300.39/- Lacs in 2010-2011 to Rs. 113.29/- Lacs in 2011-2012.

Internal Control System Adequacy:

The Company has in place adequate systems of internal control commensurate with its size and nature of its operations.



These have been designed to provide reasonable assurance with regard to recording and complying with applicable statutes, executing transactions with proper authorization and ensuring compliance of corporate policies. The company has a well-defined delegation of power with authority limits for approving revenues as well as expenditure. The internal audit process is well designed to review the adequacy of internal control checks in the system and covers all the significant areas of the company's operations.

Human Resources Development & Research Activities:

The company places special emphasis on the human resources function in the organization and building strong relationship and establishing its brand in the market to attract and retain best talent. This has helped the company to great extent to build a culture where people are respected, performance is rewarded and where employee can realize his or her potential. The company has employed 529 people and enjoys cordial relations with all.

Health and Safety Measures:

The Company is fully committed to the safety, health and well-being of its employees and to minimizing the environmental impact of its business operations. A safe and healthy environment is maintained, and appropriate steps are taken with the object of minimizing the environmental impact on all processes and practices. The Company has a range of policies, including on quality, safety and health aspects to guide the employees work practices, actions and decisions. The Company strive 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 Company's operations include input availability 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.



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, 2012, 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, 2012 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, 2012.
 - 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
Membership No.036099
Firm Registration No. 106405W

Place : Mumbai
Date : 23rd July, 2012



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 & Service Tax		
a) 2004 – 05	5.00	CESTAT, Ahmedabad
b) 2007-08	2.52	CESTAT, Ahmedabad.
c) 2010-11	5.78	Commissioner (Appeals)
TOTAL	13.30	
2) Income Tax		
a) 2000 – 01	19.80	Income Tax Appellant Tribunal
b) 2001 – 02	5.65	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	22.09	Income Tax Appellant Tribunal
f) 2005 – 06	1.36	Commissioner of Income Tax Appeals
g) 2006-07	21.42	Commissioner of Income Tax Appeals
TOTAL	72.06	

N.B.:- The above demands of Income tax have been shown as they existed without considering the appeal relief in some of the appeals which have been decided.

- 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**
 Membership No.36099
 Firm Registration No. 106405W

Place : Mumbai
 Date : 23rd July, 2012



MANGALAM DRUGS & ORGANICS LIMITED

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

ATTENDANCE SLIP 39th 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 39th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office on Thursday, 27th September 2012 at 11.00 A.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 39th 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 39th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office on Thursday, 27th September 2012 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix
Revenue
Stamp

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.



BALANCE SHEET AS ON 31ST MARCH, 2012

(Rs.In Lacs)

Particulars	Note No	As at 31 March, 2012	As at 31 March, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,317.82	1,317.82
(b) Reserves and surplus	3	2,488.35	2,424.98
Sub Total -Shareholders Funds		3,806.17	3,742.80
2 Non-current liabilities			
(a) Long-term borrowings	4	2,195.64	1,919.31
(b) Deferred Tax Liabilities (Net)	5	645.24	616.82
Sub Total -Non-Current Liabilities		2,840.88	2,536.13
3 Current liabilities			
(a) Short-term borrowings	6	3,404.51	2,851.96
(b) Trade payables		1,268.44	1,561.04
(c) Other current liabilities	7	874.54	633.24
Sub Total -Current Liabilities		5,547.49	5,046.24
TOTAL		12,194.54	11,325.17
B ASSETS			
1 I) Non-current assets			
Fixed assets			
(i) Tangible assets	8	5,683.60	5,426.15
(ii) Capital work-in-progress		15.18	20.44
Long-term loans and advances	9	210.80	161.00
Sub Total -Non-Current Assets		5,909.58	5,607.59
2 Current assets			
(a) Current Investments	10	14.44	14.40
(b) Inventories	11	4,898.46	3,327.06
(c) Trade receivables	12	890.99	2,176.52
(d) Cash and cash equivalents	13	102.68	69.24
(e) Short-term loans and advances	14	378.39	130.36
Sub Total -Current Assets		6,284.96	5,717.58
TOTAL		12,194.54	11,325.17
Significant accounting policies	1		

The accompanying Notes 1 to 22 are an integral part of the financial statements

In terms of our report attached

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

Place : Mumbai
 Dated : 23rd July, 2012

For and on behalf of the Board of Directors

Govardhan M.Dhoot
 Chairman

Subhash C.Khattar
 Director



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2012

(Rs.In Lacs)

Particulars	Note No	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A CONTINUING OPERATIONS			
1 Revenue from operations	15	15,723.25	13,135.55
Less: Excise duty		405.06	397.06
Revenue from operations		15,318.19	12,738.49
2 Other income	16	95.40	59.47
3 Total revenue (1+2)		15,413.59	12,797.96
4 Expenses			
(a) Cost of materials consumed	17	12,444.85	9,766.87
(b) Changes in inventories of finished goods, work in progress and stock in trade	18	(1,576.15)	(575.27)
(c) Employee benefits expense	19	900.97	749.13
(d) Finance costs	20	1,016.43	685.93
(e) Depreciation	8	373.64	327.30
(f) Other Expenses	21	2,140.06	1,543.61
Total expenses		15,299.80	12,497.57
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		113.79	300.39
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		113.79	300.39
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 + 8)		113.79	300.39
10 Tax expense:			
(a) Current tax		22.00	58.00
(b) Deferred tax		28.42	33.55
Total Tax Expenses		50.42	91.55
11 Profit / (Loss) for the year (9 + 10)		63.37	208.84
12 Earning Per equity share:			
1) Basic	22	0.48	1.58
2) Diluted		0.48	1.58
Significant accounting Policies The accompanying Notes 1 to 22 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

Govardhan M.Dhoot
 Chairman

Subhash C.Khattar
 Director

Place : Mumbai
 Dated : 23rd July, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

PARTICULARS	2011-12 (Rs. In Lacs)	2010-11 (Rs. In Lacs)
A Cash Flow from Operating Activities		
‘Net Profit before Tax	113.79	300.39
Adjustment for :		
‘Depreciation	373.64	327.30
‘Profit on sales of Fixed Assets	(10.24)	0.17
‘Dividend Income	(1.78)	(0.06)
‘Interest Expenses	1,016.44	685.93
‘Operating Profit before Working Capital changes	1491.85	1313.73
Adjustment for :		
‘Trade & Other receivables	1,031.46	(31.16)
‘Inventories	(1,571.40)	(940.89)
‘Trade Payble	(190.97)	401.97
‘Cash generated from Operation	760.94	743.65
Less :		
‘Taxes Paid	(55.80)	(36.85)
Net Cash from Operating Activities	705.14	708.80
B Cash Flow from Investing Activities		
‘Purchase of Fixed Assets / Capital Expenditure	(627.52)	(1,146.44)
‘Sale of fixed Assets	1.67	24.80
‘Dividend received	1.78	0.06
‘Net Cash from Investing Activities	(624.07)	(1121.58)
C Cash Flow from Financing Activities		
‘Long Term Borrowings	395.08	758.05
‘Short Term borrowings	573.73	345.17
‘Interest Expenses	(1,016.44)	(685.93)
‘Net Cash from Financing Activities	(47.63)	417.29
Net decrease in cash & cash Equivalents (A+B+C)	33.44	4.51
Opening Balance of Cash & Cash Equivalents	69.24	64.73
Closing Balance of Cash & Cash Equivalents	102.68	69.24

In terms of our report attached

For and on behalf of the Board of Directors

(CA Rakesh K. Milwani)
Propreitor MILWANI ASSOCIATES
Chartered Accountants
Membership No. 36099
Firm Registration No. 106405W

Govardhan M.Dhoot
Chairman

Subhash C.Khattar
Director

Place : Mumbai
Dated : 23rd July, 2012



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 01. 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, based on principle of going concern and in accordance with the generally accepted accounting principle and the accounting standards referred to in section 211(3C) 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.

d. IMPAIRMENT OF ASSETS

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

e. METHOD OF DEPRECIATION

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

f. INVESTMENTS

Investments are stated at cost.

g. INVENTORIES

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

h. FOREIGN CURRENCY TRANSACTIONS

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



Mangalam Drugs & Organics Limited

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 31st March, 2012

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.

B. Notes to Accounts: -

1. CONTINGENT LIABILITIES:

PARTICULARS	CURRENT YEAR Amount in Rs.	PREVIOUS YEAR Amount in Rs.
A) Performance Guarantees/ Bonds		
(i) Guarantee executed in favor of Assistant Collector of Customs	19, 85,000	19, 85,000
(ii) Guarantee executed in favor of Export Parties.	68,300	-
(iii) Guarantee executed in favor of Central Excise	8, 83,740	8, 83,740
B) Others		
(iv) Guarantee given to GSPC Gas Co Ltd	66, 01, 729	45, 76,240
(v) Guarantee given to Corporate	-	56, 19, 34,000
(vi) Guarantee given to GPCB	8, 00,000	-
(vii) Guarantee given to Sale Tax (Gujarat)	2, 70,869	-

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, 10,300
(ii) For Tax Audit *	56,180	55,150
(iii) For Vat Audit	16,854	16,545
(iv) For Certification & Others.	1,36,233	1,06,991

* 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	4194.60	1137.14
(ii) Commission on Exports	10.42	10.75
(iii) Travelling Expenses	7.30	4.07
(iv) Earning in foreign currency on export of goods on CIF basis (Including deemed exports)	1037.44	1120.61

5. CONSUMPTION OF RAW MATERIAL

PARTICULARS	%	VALUE (RS. IN LAKHS)
(i) Imported	33.83	4209.71
	(11)	(1046.33)
(ii) Indigenous	66.17	8235.13
	(89)	(8720.54)

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

Description of products	Licensed Capacity	Installed Capacity (Tons)	Production (Tons)
Bulk Drugs & Intermediates	N.A.	600	369.22
	(N.A.)	(600)	(413.32)

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.

7. 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. Bulk Drugs & Intermediates	118.41	1975.75	350.33	15318.19	137.30	3355.52
	(159.26)	(1299.36)	(454.17)	(12850.57)	(118.41)	(1975.75)

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

9. SECURED LOANS

- I) Term loan from State Bank of India, IDBI Bank and Punjab and Maharashtra Co. Op. Bank Ltd bank are secured by the way of;
 - First Pari-passu charge on entire fixed assets of the company.
 - Second Pari-passu charge on entire current assets of the company.
- II) Working Capital Facilities from State Bank of India, IDBI Bank Ltd and Punjab and Maharashtra Co-Op. Bank Ltd. is secured by
 - First charge on the entire current assets of the company on pari-passu basis
 - Second charge on the entire fixed assets of the company on pari-Passu basis.

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

11. 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.

12. 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, 2012. 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



Mangalam Drugs & Organics Limited

information available with the Company

13. Segment Information

Primary Segments – Business Segment

Sr. No.	PARTICULARS	BULK DRUGS	CHEMICALS & OTHERS	TOTAL
a)	Segment Revenue			
	Sales	15318.19	-	15318.19
	Total segment			
	Export Benefits	60.43	-	60.43
b)	Segment Results	2200.42	-	2200.42
	Unallocated Corporate Expenses			(731.52)
	Finance Expenses			(1016.44)
	Other Income			34.97
	Depreciation			(373.64)
	Profit Before Tax			113.79

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.	14280.75	1037.44	15318.19

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.

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

- A) Associate Companies and others
Raga Organics Private Ltd.
Mangalam Laboratories Pvt. Ltd.
- B) Key Management Personnel
Shri Govardhan M. Dhoot
Shri Subhash C.Khattar
Shri Rajendraprasad K. Mimani
- 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	1100.00	-	-	1100.00
- Rent deposit	-	11.43	-	11.43



- Sitting Fees	-	0.38	-	0.38
----------------	---	------	---	------

15. Earning per Share (EPS) :-

Particulars	Current Year	Previous Year
A. Net Profit after Tax (before Deferred Tax) (Rs. In lacs)	63.37	208.83
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.)	0.48	1.58
D. Nominal Value per Equity Share (in Rs.)	10.00	10.00
E. Book Value Per Share (in Rs.)	28.88	28.40
F. The Deferred Tax Liability relating to Timing Different	645.25	616.82

16. Employee Benefits:-

Defined benefit plan as per actuarial valuation on March 31, 2012

I	Expense recognized in the statement of Profit & Loss for the year ended March 31, 2012	Current year	Previous year
1	Current Service Cost	629,009.00	539,976.00
2	interest Cost	419,392.00	388,635.00
3	Expected return on plan assets	(328,953.00)	(263,721.00)
4	Net Acturial gain/loss recognized in the year	178,801.00	216,630.00
5	Expenses Recognized in statement of P & L	898,249.00	881,520.00
II	Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2012		
1	Present value of obligations as at the end of year	6,052,768.00	5,687,255.00
2	Fair value of plan assets as at the end of the year	4,647,929.00	3,202,795.00
3	Funded status	(1,404,839.00)	(2,484,460.00)
4	Net asset/liability recognized in balance sheet	1,404,839.00	2,484,460.00
III	Change in obligation during the year ended March 31,2012		
1	Present value of obligation as at beginning of year	5,242,405.00	4,857,935.00
2	interest Cost	419,392.00	388,635.00
3	Current Service Cost	629,009.00	539,976.00
4	Benefits paid	416,839.00	315,921.00
5	Actuarial gain /loss on obligations	140,123.00	216,630.00
6	Present value of obligation as at end of year	6,052,768.00	5,687,255.00
IV	Change in assets during the year ended March 31,2012		
1	Fair value of plan assets at beginning of year	3,202,795.00	2,998,363.00
2	Expected return on plan assets	328,953.00	263,721.00
3	Contributions	1,533,020.00	256,632.00
4	Benefits paid	(416,839.00)	(315,921.00)
5	Fair value of plan assets at the end of year	4,647,929.00	3,202,795.00
V	The major categories of plan assets as a percentage of total plan		
	Qualifying Insurance Policy	100%	100%
VI	Actuarial Assumptions		
1	Discount Rate	8.00% p.a.	8.00% p.a.



Mangalam Drugs & Organics Limited

2	Salary Escalation	6.00% p.a	7.00% p.a
---	-------------------	-----------	-----------

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

(Rs. In Lacs)

Note No	Particulars	As At 31-03-2012		As At 31-03-2011	
		In Numbers	In Rupees	In Numbers	In Rupees
2	SHARE CAPITAL				
a)	Authorised (2,00,00,000 Equity Shares of Rs.10 Each) (31st March-2011 : 200,00,000/- Equity shares of Rs.10 each)	200,00,000	2,000.00	200,00,000	2,000.00
			<u>2,000.00</u>		<u>2,000.00</u>
b)	ISSUED SUBSCRIBED AND PAID UP 1,31,78,248 Equity Shares of Rs.10/-each fully paid up Previous Year 1,31,78,248/- Equity Shares of Rs.10/- each)		1,317.82		1,317.82
1)	Pursuant to acquisition of business with undertaking of Mangalam Organics Pvt. Ltd. Mangalam Rasayan Pvt.Ltd & Shree Mangalam Pharma Pvt Ltd., 10,38000/- Equity shares for value Rs.10/- each were allotted to shareholders of such companies without payment being received in cash.				
2)	During Financial year 2002 - 2003, 11,13000/- Equity Shares of face value of Rs.10/- each fully paid up were allotted as bonus shares without payment being received in cash by capitalisation of General Reserve.				
3)	During the year - 2003 - 04, 44,52,000/- Equity shares of Rs.10/- each fully paid up were Alloted, by way of Bonus shares by capitalisation of General Reserves.				
4)	During the year 2005-06, 65,00,248/-Equity shares of Rs.10/- each fully paid up were Alloted, by way of initial public offer, at a premium of Rs.12/-per share.				
			1317.82		1317.82

c) Terms / Right attached to equity shares

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

d) Reconciliation of the number of Shares outstanding and the amount of Share Capital as at March 31, 2012. and March 31, 2011.

Equity Shares (issued Capital)	As at 31-03-2012		As At 31-03-2011	
	In Numbers	In Rupees	In Numbers	In Rupees
Shares outstanding at the beginning of the year	13,178,248	1317.82	13,178,248	1317.82
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	13,178,248	1,317.82	13,178,248	1,317.82

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

Equity Shares	31/03/2012	31/03/2011	31/03/2010	31/03/2009	31/03/2008
Fully paid up pursuant to contract (S)	-	-	-	-	-



without payment being received in cash	-	-	-	-	-
--	---	---	---	---	---

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 2012		As at 31 March 2011	
		No of Shares held	% of Holding	No of Shares held	% of Holding
1	Shree Kishoriju Trading and Investment Pvt.Ltd	1144522	8.68	1144522	8.68
2	Shreee Rashbihari Trading and Investment Pvt.Ltd	1139518	8.65	1139518	8.65
3	IPCA Laboratories Ltd	1633417	12.39	1633417	12.39

(Rs.In Lacs)

Note No	RESERVES AND SURPLUS	As at 31-03-2012	As at 31-03-2011
3	A) GENERAL RESERVE :-		
	Balance as per last Balance Sheet	1,079.05	1,079.05
	Add:-Transfer During the Year	-	-
	Total Amount (A)	1,079.05	1,079.05
	B) SHARE PREMIUM :-		
	Balance as per last Balance Sheet	780.03	780.03
	Add:-Transfer During the Year	-	-
	Total Amount (B)	780.03	780.03
	C) PROFIT AND LOSS ACCOUNT :-		
	Balance as per Last Balance Sheet	565.90	357.06
	Add:- Profit for the year	63.37	208.84
	Total Amount (C)	629.27	565.90
	Total Amount (A+B+C)	2,488.35	2,424.98

(Rs.In Lacs)

Note No	LONG TERM BORROWINGS	As At 31-03-2012	As At 31-03-2011	As At 31-03-2012	As At 31-03-2011
4		Non-Current		Current (Refer Note :07)	
	Term Loans (Secured)				
	Rupee Term loans from Banks	1,040.52	879.08	490.74	354.58
	Motot car Loan From ICICI Bank Ltd.	15.14	-	3.52	-
	From Others (Unsecured)	1,100.00	1,000.00	-	-
	Deferred Payment Liabilities:-				
	Deferred Sales tax loan (unsecured)	39.98	40.23	0.26	0.26
	Total Amount	2,195.64	1,919.31	494.52	354.84

(Rs.In Lacs)

Note No	DEFERRED TAX LIABILITY (NET)	As At 31-03-2012	As At 31-03-2011
5	Balance as per Last Balance Sheet	616.82	583.27



Mangalam Drugs & Organics Limited

Add:-Transfer during the year	28.42	33.55
Total Amount	645.24	616.82

(Rs.In Lacs)

Note No	As At 31-03-2012	As At 31-03-2011
6 Secured		
I) Loans Repayable on demand		
From Banks	3,264.43	2,674.68
II) Other Short Terms Borrowing		
From Banks	0.68	8.97
From Others Parties	139.40	168.31
Total Amount	3,404.51	2,851.96

(Rs.In Lacs)

Note No	As at 31-03-2012	As at 31-03-2011
7 OTHER CURRENT LIABILITIES		
a) Current maturities of long-term debt (refer note no.4 "Longterm borrowing")	494.52	354.84
b) Accrued salaries and benefit	100.91	108.62
c) Interest accrued and due on borrowings	19.22	15.39
d) Statutory dues	212.19	118.59
e) Provision for expenses	47.70	35.80
Total Amount	874.54	633.24

8) FIXED ASSETS

(Rs.In Lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01-04-2011	Addition	Deletions	Balance as at 31-03-2012	Balance as at 31-03-2011	Depreciation Charge for the year	Deduction	Balance as at 31-03-2012	Balance as at 31-03-2011	Balance as at 31-03-2011
A) Tangible Assets										
(Not Under Lease)										
Land	54.40	-	-	54.40	-	-	-	54.40	54.40	54.40
Building	939.52	42.67	25.38	956.81	213.64	29.65	-	243.29	713.52	725.88
Plant & Machinery	6,310.25	558.50	22.76	6,846.00	1,883.88	311.18	1.49	2,193.57	4,652.43	4,426.37
Furniture and Fixtures	59.83	2.58	-	62.41	42.28	3.23	-	45.50	16.91	17.55
Motor Care & Vehicles	107.39	27.23	11.65	122.97	67.71	11.10	7.18	71.63	51.34	39.69
Office & Electrical Equipments	161.23	4.26	-	165.49	60.15	8.57	-	68.72	96.76	101.08
Laboratory Equipments	59.93	5.99	-	65.93	20.20	3.02	-	23.22	42.71	39.74
Air Conditioner	12.47	1.12	-	13.59	3.33	0.62	-	3.95	9.65	9.15
Computers	65.08	5.14	-	70.21	52.77	5.27	-	58.04	12.18	12.31
R/D Equipments	-	34.71	-	34.71	-	1.01	-	1.01	33.70	-
Sub Total	7,770.11	682.20	59.79	8,392.52	2,343.96	373.64	8.67	2,708.93	5,683.60	5,426.15
B) Intangible Assets										
Sub Total	-	-	-	-	-	-	-	-	-	-



C) Capital Work in Process	20.44	15.18	20.44	15.18	-	-	-	-	15.18	20.44
Sub Total	20.44	15.18	20.44	15.18	-	-	-	-	15.18	20.44
Total Assets	7,790.55	697.38	80.22	8,407.70	2,343.96	373.64	8.67	2,708.93	5,698.77	5,446.59
Previous Year	6,682.90	1,214.94	107.29	7,790.55	2,030.48	327.30	13.82	2,343.96	5,446.59	-

(Rs.In Lacs)

Note No	LONG TERM LOANS AND ADVANCES	As at 31-03-2012	As At 31-03-2011
9	Unsecured and Considered good		
	A) Security Deposits		
	Unsecured and Considered Good	56.99	46.09
	B) Other Loans & advances		
	Tax Payments less Provisions	153.81	114.91
	Total Amount	210.80	161.00

(Rs. In Lacs)

Note No.	CURRENT INVESTMENTS	Face Value per share (in Rs)	Nos of Shares		Amount of Shares (in Rs)	
			Current Year	Previous Year	Current Year	Previous Year
			31.03.2012	31.03.2011	31.03.2012	31.03.2011
10	A Quoted Investments :					
	1 IMP Power Ltd.	10	172,172	172,172	11.65	11.65
	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
	Total (A)		173,099	173,099	11.84	11.84
	Market Value of quoted shares Rs. 89,40,305/-					
	Previous year Rs.1,11,87,839/-					
	B Unquoted Investments :					
	1 National Savings Certificate	-	-	-	2.33	2.31



Mangalam Drugs & Organics Limited

2	Shares of Saraswat Co-op Bank Ltd.	-	2,500	2,500	0.25	0.25
3	Shares of PMC Bank Ltd	-	40	-	0.02	0.00
Total (B)			2,540	2,500	2.60	2.56
TOTAL (A+B)			175,639	175,599	14.44	14.40

(Rs. In Lacs)

Note No	INVENTORIES	As at 31-03-2012	As At 31-03-2011
11	(Valued at lower of cost and net realisable value)		
	Raw Materials	881.76	885.78
	Packing Materials	9.95	10.68
	Finished Goods	3,355.52	1,975.75
	Work-in-Progress	651.23	454.85
	Total Amount	4,898.46	3,327.06

Note No	TRADE RECEIVABLES	As at 31-03-2012	As At 31-03-2011
12	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured and Considered Good	845.72	2,138.19
	Trade receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured and Considered Good	45.27	38.33
	Total Amount	890.99	2,176.52
13	CASH AND CASH EQUIVALENTS		
	A) Cash on Hand	45.61	11.64
	B) Balance with Banks		
	I) In Current Accounts	4.76	5.94
	II) In Deposits Accounts	52.31	51.66
	Total Amount	102.68	69.24
14	SHORT-TERM LOANS AND ADVANCES (Unsecured & Considered good)		
	Prepaid Expenses	10.17	6.89
	Loans to employees-staff advances	2.86	2.10
	Balance with statutory / Governments authorities	337.43	95.37
	Others	27.93	26.00
	Total Amount	378.39	130.36

(Rs. In Lacs)

Note No	REVENUE FROM OPERATIONS	Year ended 31-03-2012	Year ended 31-03-2011
15	Sale of products	15,569.18	12,971.40



(Rs. In Lacs)

Note No	REVENUE FROM OPERATIONS	Year ended 31-03-2012	Year ended 31-03-2011
	Sale of Services	138.60	154.92
	Scrap Sales	15.47	9.22
	Revenue from Operations (Gross)	15,723.25	13,135.55
	Less:- Excise Duty	405.06	397.06
	Revenue from Operations (Net)	15,318.19	12,738.49
16	OTHER INCOME		
	1) Exports Benefits		
	a) Duty Drawback Rebate Claim	9.07	13.58
	b) Excise Duty Rebate Claim	51.36	29.13
	Total - (I)	60.43	42.71
	II) Others		
	a) House Rent Recd.	3.99	4.08
	b) Sundry Bal Written back	2.20	-
	c) Insurance Claim Recd.	26.99	-
	d) Profit on sale of Licence	-	12.62
	Total - (II)	33.18	16.70
	III) Dividend Recd.	1.79	0.06
	Total - (III)	1.79	0.06
	Total Amount (I+II+III)	95.40	59.47
17	COST OF RAW MATERIALS CONSUMED		
	Inventory at the beginning of the year	885.78	519.41
	Add:- Purchases	12,955.05	10,300.67
		13,840.83	10,820.08
	Less:- Inventory at the end of the year	881.76	885.78
	Cenvat Availed	514.22	167.43
	Total Amount	12,444.85	9,766.87
18	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
	Inventory at the end of the year		
	Work in Progress	651.23	454.85
	Finished Goods	3,355.52	1,975.75
	Total (A)	4,006.75	2,430.60



Mangalam Drugs & Organics Limited

(Rs. In Lacs)

Note No	REVENUE FROM OPERATIONS	Year ended 31-03-2012	Year ended 31-03-2011
	Inventory at the beginning of the year		
	Work in Progress	454.85	555.97
	Finished Goods	1,975.75	1,299.36
	Total (B)	2,430.60	1,855.33
	Increase / Decrease in inventories (A-B)	(1,576.15)	(575.27)
19	EMPLOYEE BENEFITS EXPENSES		
	Salaries, Wages and Bonus	816.63	658.08
	Contribution to -Provident and other funds	58.81	60.37
	Staff welfare expenses	17.29	18.69
	Others	8.24	11.99
	Total Amount	900.97	749.13
20	FINANCE COST		
	Interest Expenses	773.39	592.93
	Bank Charges	59.35	39.84
	Other Borrowing Costs	183.69	53.16
	Total Amount	1,016.43	685.93

(Rs. In Lacs)

Note No	OTHERS EXPENSES	Year ended 31-03-2012	Year ended 31-03-2011
21	MANUFACTURING EXPENSES		
	Carriage Inward & Freight	14.49	14.86
	Central Excise Duty	114.06	10.75
	Job Work	222.65	43.47
	Power, Fuel, Electricity & Water	729.06	606.72
	Repairs and Maintenance	88.50	99.10
	Sales Tax Paid	131.69	93.91
	Stores and Spares	108.08	94.61
	Total (A)	1,408.53	963.42
	ADMINISTRATIVE EXPENSES		
	Auditors' Remuneration	1.65	1.65
	Clearing, and Forwarding	0.16	0.08
	Directors Remuneration	7.20	7.20
	Donation	1.21	0.06
	Insurance Charges	11.08	9.43
	Legal and Professional Fees	45.18	23.05
	Miscellaneous Expenses	1.53	35.08



(Rs. In Lacs)

Note No	OTHERS EXPENSES	Year ended 31-03-2012	Year ended 31-03-2011
	Postage and Telegram	7.46	5.61
	Printing and Stationery	22.84	19.51
	Rent,Rates and Taxes	38.51	9.09
	Travelling and Conveyance	58.18	30.40
	Vehicle Expenses	33.75	26.33
	Service charges	19.70	12.14
	Laboratory Expenses	82.57	57.68
	Research & Development Expenses	20.59	7.84
	Office Expenses	8.86	8.27
	Telephone telex & fax charges	12.21	11.52
	Retainership Fees	26.87	22.28
	Pollution Control Exps	58.45	32.08
	Membership and subscription fees	1.34	1.07
	Registration & Licence Fees	9.66	3.91
	Stamp Duty Expense	13.05	7.20
	Computer Expense	5.61	5.76
	Testing Fees	14.40	16.94
	Listing Fees	0.98	1.05
	Service & Cess Tax on Goods Transport	1.01	0.45
	Profit/Loss on Sale of Asset	10.24	0.17
	Watch & Ward Expense	-	0.97
	Total (B)	514.30	356.81
	SELLING AND DISTRIBUTION EXPENSES		
	Advertisement,SalesPromotion and discount	66.96	45.30
	Packing and Forwarding	60.49	60.29
	Sales Commission and Discount	89.78	117.79
	Total (C)	217.23	223.38
	Total Amount (A+B+C)	2,140.06	1,543.61
22	Profit / Loss after taxation as per Profit & Loss Account	63.37	208.84
	Number of equity shares outstanding	131.78	131.78
	Basic & Diluted Earnings per share in rupee (Equity Shares of Rs. 10/- Each)	0.48	1.58

In terms of our report attached

For and on behalf of the Board of Directors

(CA Rakesh K. Milwani)
Propreitor MILWANI ASSOCIATES
 Chartered Accountants
 Membership No. 36099
 Firm Registration No. 106405W

Govardhan M.Dhoot
 Chairman

Subhash C.Khattar
 Director

Place : Mumbai
 Dated : 23rd July, 2012

BOOK - POST

If undelivered, please return to:



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