



**41<sup>st</sup> Annual Report 2013 - 2014**

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





## BOARD OF DIRECTORS

GOVARDHAN M. DHOOT - CHAIRMAN

SUBHASH C. KHATTAR - INDEPENDENT DIRECTOR

RAJENDRAPRASAD MIMANI - INDEPENDENT DIRECTOR

## REGISTERED OFFICE

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

## WORKS

### VAPI - UNIT 1

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

### VAPI - UNIT 2

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

## AUDITORS

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

## BANKERS

STATE BANK OF INDIA

IDBI BANK LTD

PUNJAB AND MAHARASHTRA CO-OP. BANK LTD.

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## NOTICE

**NOTICE** is hereby given that the Forty- First Annual General Meeting of the Members of **Mangalam Drugs & Organics Limited** will be held at the Registered office of the Company at Rupam Building, 3<sup>rd</sup> Floor, 239, P. D'Mello Road Mumbai – 400001 on Monday, 29<sup>th</sup> September 2014 at 11.00 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and Statement of Profit and Loss Account for the year ended as on that date and the Reports of the Board of Directors' and the Auditors' of the Company.
2. To appoint a Director in place of Mr. Govardhan Murlidhar Dhoot (DIN: 01240086) who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Milwani Associates, Chartered Accountants, Mumbai, (Firm Registration No. 106405W) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM), at such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Audit Committee / Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Subhash Chandra Khattar (DIN: 01122941), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation.”
5. To consider and, if though fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Rajendra Prasad Mimani (DIN: 00017399), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation.”
6. To consider and, if though fit, to pass with or without modification(s) the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956, at the 37<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2010 and pursuant to the provisions of section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), or re-enactments thereto for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)], to borrow any sum or sums of money, from time to time for the purpose of business of the Company, upon such terms and conditions and with/without security, as the Board of Directors may, in its absolute discretion, think fit and proper, notwithstanding the fact that the money or monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 150 crores (Rupees one hundred fifty crore only) over and above the aggregate of the paid up share capital of the Company and its free reserves.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/officers, one or more director/whole time director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this resolution.

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

**“RESOLVED THAT** in supersession of the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the 37<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2010 and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 the rules made thereunder (including any statutory modification(s) or re-enactments thereto for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)], to create such charges and / or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company's moveable and immoveable properties and assets, present and future, comprised



in any undertaking or undertakings of the Company, as the case may be, in favor of the Lenders viz. financial Institutions / banks / insurance companies or person or persons, and/or trustees for the holders of debentures / bonds / other instruments to secure the repayment of loan / borrowings sanctioned and / or to be sanctioned by them from time to time for a sum not exceeding Rs. 150 crores (Rupees one hundred fifty crore only) over and above the aggregate of the paid up share capital of the Company and its free reserves and apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business as per the approval of shareholders under section 180 (1) (c) of the Companies Act, 2013 and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans / borrowings as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute such agreements, papers, deeds, and other instruments or writings containing such conditions and covenants as it may think fit to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/officers, one or more director/managing director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this resolution.

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 100,000/- (Rupees One Lac only) plus out-of-pocket expenses payable to M/s. Ankit Kishor Chande, who are appointed as Cost Auditors of the Company to conduct Cost Audit relating to “Bulk Drugs” businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder, for the year ending 31<sup>st</sup> March, 2015.”

**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. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.  
The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution / authority, as applicable.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item nos. 4 to 8 of the Notice set out above, is hereto annexed.
3. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2014 to 29<sup>th</sup> September 2014 (both days inclusive) for the purpose of Annual General Meeting.
5. The Annual Report of the Company for the year 2013-2014 is also uploaded on the Company's website [www.mangalamdrugs.com](http://www.mangalamdrugs.com) in the “Investor Relations” Section.
6. As a measure of economy, copies of the Annual Report shall not be distributed at the meeting and therefore the Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
8. The Company has appointed **M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078**, as Share Transfer Agents and the members are requested to send/address all their shares related matters/ correspondence directly to them.
9. **Change of Address /Bank details:** Members are requested to inform **M/s. Link Intime India Private Limited**, immediately of any change in their address / bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their Email Id, signature, address, bank details and mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agents of the Company viz. **M/s. Link Intime India Private Limited**.
10. As per Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities And Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agents of the Company viz. **Link Intime India Private Limited**.
11. Members/Proxies should bring the admission slip duly filled in for attending the meeting.
12. The Company has transferred unclaimed application money due for refund of public issue made in the year 2005 and unclaimed dividend for the financial year 2005-06 declared on 30<sup>th</sup> September 2006 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
13. Electronic (soft) copy of the Notice of the 41<sup>st</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-Voting and Assent Decent Form along with the Attendance Slip & Proxy Form and the Annual Report for 2013-14 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of these documents are being sent in the permitted mode.



14. Details of the Directors seeking appointment / re-appointment at the 41<sup>st</sup> Annual General Meeting vide Item nos. 2, 4 & 5 of the Notice required by Clause 49IV G of the Listing Agreement with the Stock exchanges is given below:

1.	Name	GOVARDHAN M. DHOOT (DIN: 01240086)	RAJENDRAPRASAD K. MIMANI (DIN:00017399)	SUBHASH C. KHATTER (DIN: 01122941)
2.	Date of Birth	21 <sup>st</sup> October 1953	2 <sup>nd</sup> April 1952	3 <sup>rd</sup> July, 1939
3.	Educational Qualification	Commerce Background	Commerce Background	Chartered Accountant
4.	Date of Appointment on the Board	16 <sup>th</sup> April 1996	1 <sup>st</sup> November 2004	4 <sup>th</sup> June 2004
5.	Category of Director	Chairman & Managing Director	Independent Director	Independent Director
6.	Experience	He is a Whole-time Director of the Company effective 1 <sup>st</sup> November 2004. He has over three decades of experience in the Chemical Industry, handling marketing in both domestic and export market. He has traveled to many countries and visited important Industrial and Commercial Capitals all over the world.	Experience in marketing of various types of products. He has an experience over 36 years	He is a Chartered Accountant having about 45 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.	List of other Directorships held	1. Mangalam Laboratories Private Limited 2. Beanstalk Retail Private Limited	1. KDM Impex Private Limited 2.IMP Powers Limited 3.IMP Energy Limited	1. Apexo Melwares Private Limited
8.	Name of Committees in which Chairman	NIL	NIL	Audit Committee and Stake holders Relationship Committee of – Mangalam Drugs & Organics Limited
9.	Name of Committees in which Member	Audit Committee and Stake holders Relationship Committee of – Mangalam Drugs & Organics Limited	Audit Committee, and Stake holders Relationship Committee of – Mangalam Drugs & Organics Limited and IMP Powers Limited	As above
10.	Number of shares held in the Company.	667,122 equity shares.	NIL	1,790 equity shares

**BY ORDER OF THE BOARD OF DIRECTORS**

**Place: Mumbai**

**Dated: 25<sup>th</sup> August 2014**

**Registered office:**

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

**CIN: L24230MH1972PLC116413**

**GOVARDHAN M. DHOOT  
CHAIRMAN**



## ANNEXURE TO NOTICE

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

#### Item No. 4

Mr. Subhash Chandra Khattar is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 4<sup>th</sup> June, 2004. Mr. Subhash Chandra Khattar is an eminent Chartered Accountant having vast experienced in Finance.

Mr. Subhash Chandra Khattar is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies, Act, 2013, Mr. Subhash Chandra Khattar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation. A notice has been received from a member proposing Mr. Subhash Chandra Khattar as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Subhash Chandra Khattar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Subhash Chandra Khattar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays, Sundays and Public Holidays.

It is, therefore, in the Company's interest that it should continue to avail of his services as an Independent member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Subhash Chandra Khattar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Subhash Chandra Khattar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in this item of the notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Item No. 5

Mr. Rajendra Prasad Mimani, is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 1<sup>st</sup> November, 2004. Mr. Rajendra Prasad Mimani is a Commerce Graduate having vast experienced in business.

Mr. Rajendra Prasad Mimani is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies, Act, 2013, Mr. Rajendra Prasad Mimani being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term upto five consecutive years commencing from April 1, 2014, not liable to retire by rotation. A notice has been received from a member proposing Mr. Rajendra Prasad Mimani as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Rajendra Prasad Mimani fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rajendra Prasad Mimani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays, Sundays and Public Holidays.

It is, therefore, in the Company's interest that it should continue to avail of his services as an Independent member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajendra Prasad Mimani as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajendra Prasad Mimani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in this item of the notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Item Nos. 6 & 7:

Under Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Company cannot, except with the consent of the Company in general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital of the Company and its free reserves, The shareholders at the Annual General Meeting of the Company held on 30<sup>th</sup> September 2010, had accorded their consent to the Board of Directors borrowing up to Rs. 100 crores. Taking into consideration the requirements of additional funds to meet the cost of the Company's capital expenditure as also additional working capital requirement of the Company, it is expected that the limit of R. 100 crores sanctioned by the shareholders is likely to be exceeded.

Section 180 (1) (c) of the Companies Act, 2013 requires that the Board of Directors of a Company shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

Further, since the Company is expanding its business capacities, there may be a need to increase the Company's aggregate borrowings. Hence, the Board of Directors feels that it will be necessary for the Company to raise further moneys from various sources which may exceed the existing borrowing limit as stated above. The consent of the Shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors to borrow monies subject to a limit of Rs. 150 crores. (Rupees one hundred and fifty crores only) in addition to the aggregate of the Company's paid-up share capital and its free reserves as mentioned in the resolution. The Resolution under item no. 6 is to obtain the consent of the shareholders for this purpose.

The proposed borrowings of the Company, may, if necessary, have to be secured by way of mortgage/charge on immoveable properties and/or hypothecation of the moveable properties of the Company both present and future, as may be agreed to with the concerned financial/investment institutions, bank or banks or the relevant party concerned.

Since the mortgage and/or charge/ hypothecation to be created as aforesaid may attract the provisions of Section 180 (1) (a) of Companies Act, 2013, it is deemed



advisable to obtain the approval of the members by way of a Special Resolution under the provisions of the above Section of the said Act. The Directors accordingly commend the Resolution in item nos. 6 & 7 of the accompanying notice for the approval of the members.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at items nos. 6 & 7.

**Item No. 8**

The Audit Committee and the Board has approved the appointment of M/s. Ankit Kishor Chande., Cost Accountants as Cost Auditors for audit of the cost accounts for the year 2014-15 at a remuneration of Rs.100,000/- (Rupees One Lacs only). In accordance with the provisions of Section 148 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2014-15. The Board recommends the Resolution for approval of the Shareholders as per item no. 8.

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

**BY ORDER OF THE BOARD OF DIRECTORS**

**Place: Mumbai**

Dated: 25<sup>th</sup> August 2014

**GOVARDHAN M. DHOOT  
CHAIRMAN**





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

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 41<sup>st</sup> Annual general Meeting of the Company.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Shareholders" tab.
- iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>folio no. / demat account</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant MANGALAM DRUGS & ORGANICS LIMITED on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and also send to the scrutinizer at [scrutinizer@csmanishb.in](mailto:scrutinizer@csmanishb.in)



**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 21<sup>st</sup> September 2014 (9:30 A.M.) and ends on 23<sup>rd</sup> September 2014 (5:30 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22<sup>nd</sup> August 2014.
- III. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any forthwith to the Chairman.

The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.mangalamdrugs.com](http://www.mangalamdrugs.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.



## DIRECTORS' REPORT

To,  
The Members of  
**MANGALAM DRUGS & ORGANICS LIMITED**

The Directors have pleasure in presenting Forty - First Annual Report and Audited Accounts for the accounting year ended 31st March 2014.

### 1 FINANCIAL RESULTS: (Rs. in Lacs)

	2013-2014	2012-2013
Revenue from operations	12231.97	12525.87
Other Income	44.01	157.27
Profit before Finance Expenses, Depreciation & Amortizations	984.63	(283.71)
Less: Depreciation & Amortizations	401.05	393.97
Finance Expenses	974.21	1002.24
<b>Profit / (Loss) before tax</b>	<b>(390.63)</b>	<b>(1679.92)</b>
Provision for Deferred Tax	(86.71)	(499.98)
<b>Profit / (Loss) after tax</b>	<b>(303.92)</b>	<b>(1179.94)</b>
<b>Balance b/f. from previous year</b>	<b>(550.69)</b>	<b>629.25</b>
<b>Balance carried to Balance Sheet</b>	<b>(854.61)</b>	<b>(550.69)</b>

### 2. DIVIDEND:

In view of the loss incurred during the financial year ended March 31, 2014, no amount is transferred to the General Reserve and the directors do not recommend any dividend on equity shares for the year ended March 31, 2014. (Previous Year: Rs. Nil)

### 3. REVIEW OF PERFORMANCE:

During the year under review, the Company earned a total income of Rs. 12,275.98 lacs as compared to Rs. 12,683.14 lacs made in the previous year, a decrease of 3.21% than the previous year. The Company's losses have considerably reduced to Rs 303.92 lacs as against Rs 1179.94 lacs in the previous year basically on account of new and innovative improvements in process development of new dosage forms and drugs delivery system, cost reduction etc. have resulted in improvement in yield which in turn reduced losses considerably.

### 4. EXPORTS:

The Company has recorded exports sales of Rs. 3,718.65 lacs as against export sales of Rs. 6,402.25 lacs made in the previous year. Constant efforts are being made to boost exports.

### 5. FUTURE OUTLOOK:

In keeping with the glorious track record of yester years, your company has been successful in augmenting its international market presence in spite of global recessionary pressures. It remains committed to continuously innovate and populate it's development pipeline with two molecules per quarter. It further remains determined to file and obtain approvals for 5 additional DMFs during next two years. It is the robust regulatory strategy, the prudent partnering & continuous resource restructuring which are going to carve a brighter future for us.

### 6. RESEARCH & DEVELOPMENT :

As the global economy is on the path of recovery, our thrust continues to be a research driven company. The R and D team comprising of 25 skilled scientists has developed several synthesis options for existing as well as newer molecules. During the year under review, the company has expanded its anti retroviral (AIDS) API portfolio which has an established market demand. The company has filed Drug Master Files for getting approval of WHO. The CSIR recognition to the R&D & presentation of unique/specialty chemicals on its website have already placed company's research activity on the national and international map resulting in the collaboration requests from reputed multinational companies.

From a narrow product range company in early 80's, MANGALAM has come a long way and has created a niche for itself in Antimalarial and Antiretroviral drugs helping to address relevant unmet therapeutic needs worldwide. There is a constant effort to optimize, and recycle all resources to minimize the effluent load on environment.

Finally, the R&D activity continues to support company's standing as a "one-stop" source of Antimalarials which have been prioritized by World Health Organisation.

### 7. FIXED DEPOSIT:

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

### 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:**

- a) 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.
- b) In terms of Sections 149, 152, other applicable and related provisions of the Companies Act, 2013 read with Rules made thereunder, retirement by rotation shall not apply to Independent Directors. In order to comply with the statutory requirements, your Independent Directors, Mr. Subhash C. Khattar and Mr. Rajendra Prasad Mimani are being recommended for appointment for a term upto five consecutive years i.e. upto 31st March 2019, on a non-rotational basis.

**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 2014 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 loss 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 have prepared the annual accounts on a going concern basis.

**12. AUDITORS:**

M/s. Milwani Associates, Chartered Accountants (Firm Registration Number:106405W), who are Statutory Auditors of the Company will hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2014-15. As required under the provisions of Section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Milwani Associates that their appointment, if made, would be in conformity with the limits specified in the said section.

**13. COST AUDITORS :**

Pursuant to the directives of the Central Government under the provisions of section 233B of the Companies Act, 1956, necessary application has been submitted to the Ministry of Corporate Affairs, for the appointment of Mr. Ankit Kishore Chande as Cost Auditors to audit the cost accounts maintained by the Company in respect of Bulk Drugs for the year ending March 31, 2015.

**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:**

The 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. The Directors are also grateful to the customers, suppliers and business associates of the Company for their continued cooperation and support. The 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: 25th August 2014

**GOVARDHAN M. DHOOT**

CHAIRMAN

DIN: 01240086



## 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
<b>1. Electricity</b>		
(a) Purchased Units (KWH)	47,53,726	45,91,252
Total Amount (Rs.)	3,16,07,728	2,92,20,414
Cost per unit (Rs.)	6.65	6.36
(b) Own generation		
(i) Through diesel generator (KWH)	50,073	55,028
Unit per-ltr. of diesel oil	5.80	5.80
Cost per unit (Rs.)	33.60	31.65
(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
<b>2. Coal</b>		
Quantity (Tones)	N.A	N.A
Total cost	N.A	N.A
Average rate	N.A	N.A
<b>3. Others/internal generation</b>		
Quantity	16,62,193	13,29,793
Total cost	7,32,61,605	4,78,23,546
Rate/unit	44.07	35.96

**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 upgradation of antimalarial APIs which are on priority list of World Health Organization.
- (iii) Synthesis of antimalarial compounds which are in pre-clinical stages.
- (iv) Analytical method innovations to meet international quality demands.

**b. Benefits derived as a result of the above 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****(Rs. In Lacs)**

	<b>Current Year</b>	<b>Previous Year</b>
Capital	0.55	0.13
Recurring	75.10	93.42
<b>Total</b>	<b>75.65</b>	<b>93.55</b>

R &amp; D expenditure was 0.62% of total revenue, as against 0.74% in the previous year.

**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)**

<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
<b>Foreign Exchange Earnings on export of goods on CIF basis (including deemed exports)</b>	<b>3718.65</b>	<b>6402.25</b>
<b>Foreign Exchange Outgo</b>		
(i) Raw material	4787.75	5242.05
(ii) Commission	16.62	19.04
(iii) Travelling Expenses	4.43	3.08
<b>Total</b>	<b>4808.80</b>	<b>5264.17</b>

**FOR AND ON BEHALF OF THE BOARD**Place: Mumbai  
Dated: 25<sup>th</sup> August 2014**GOVARDHAN M. DHOOT**  
**CHAIRMAN**  
DIN: 01240086



## 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 directors. 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 held	No. of Committee membership in all companies	No. of Board Meetings attended	Attend-ance at last AGM
Mr. Govardhan M. Dhoot	Chairman & Executive	2	1	7	Yes
Mr. Subhash C. Khattar	Non-Executive & Independent	1	1	7	Yes
Mr. Rajendraprasad K. Mimani	Non-Executive & Independent	3	2	5	No

There were 7 (seven) Board meetings held during the year-ended 31.03.2014. These were on 23<sup>rd</sup> May 2013, 13<sup>th</sup> August 2013, 12<sup>th</sup> September 2013, 14<sup>th</sup> November 2013, 31<sup>st</sup> December 2013, 13<sup>th</sup> February 2014, and 1<sup>st</sup> March 2014. The last Annual General Meeting (AGM) was held on 26<sup>th</sup> September 2013.

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	5
Mr. Rajendraprasad K. Mimani	Non-Executive & Independent	Industrialist	5
Mr. Govardhan M. Dhoot	Executive	Industrialist	5

During the year-ended 31.03.2014, 5 (Five) Audit Committee meetings were held. These were held on 23<sup>rd</sup> May 2013, 13<sup>th</sup> August 2013, 14<sup>th</sup> November 2013, 13<sup>th</sup> February 2014 and 1<sup>st</sup> March 2014.

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	26,000	1,790
Mr. Rajendraprasad K. Mimani	10,000	Nil

#### 5. Stakeholders Relationship Committee:

The constitution of Investor Grievances Committee is given below:

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

#### Investor Grievances:

Nature of complaints received from shareholders during the year 2013-2014 and their status is as follows:

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

Mr. Ajay Samant – 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
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
2012	Thursday	27-09-2012	11.00 a.m.	292, Princess Street, 2 <sup>nd</sup> Floor, Near Flyover, Marine Lines, Mumbai – 400 002	Nil
2013	Thursday	26-09-2013	11.00 a.m.	292, Princess Street, 2 <sup>nd</sup> Floor, Near Flyover, Marine Lines, Mumbai – 400 002	Nil

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, 2013.	17	3714
Number of shareholders who approached to the Issuer, Registrar for transfer of shares from suspense account during the Financial Year 2013-14.	0	0
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2013-14.	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, 2014.	17	3714

#### 7. Disclosures:

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





## 8. Means of Communication:

The quarterly results were normally 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. The Company's financial results and official news releases are displayed on the Company's Website [www.mangalamdrugs.com](http://www.mangalamdrugs.com). No presentations were made to institutional investors or to the analysts. The Management Discussion & Analysis Report forms a part of the Annual Report.

## 9. General Shareholder Information:

### (a) 41<sup>st</sup> Annual General Meeting – Day, Date, Time and Venue:

Day	Date	Time	Venue
Monday	29 <sup>th</sup> September, 2014	11.00 a.m.	Rupam Building, 3 <sup>rd</sup> Floor, 239, P. D'Mello Road Near G.P.O Mumbai – 400001

### (b) Financial Calendar (tentative):

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Adoption of Quarterly Results for the quarter ending:</b>	
June, 2014	1 <sup>st</sup> / 2 <sup>nd</sup> week of August, 2014
September, 2014	1 <sup>st</sup> / 2 <sup>nd</sup> week of November 2014
December, 2014	1 <sup>st</sup> / 2 <sup>nd</sup> week of February 2015
March, 2015	Last week of May, 2015
<b>Dates of Book Closure (Both days inclusive):</b>	22 <sup>nd</sup> September 2014 to 29 <sup>th</sup> September 2014 (Both days inclusive)
Dividend Payment Date:	Not Applicable

### (c) Listing on Stock Exchanges:

The BSE Limited (BSE), Mumbai

: Stock Code: 532637

The National Stock Exchange of India Ltd. (NSE)

: Symbol: "MANGALAM"

The Company has paid the annual listing fees to each of the said exchanges.

### (d) Market Price Data:

Month	BSE Limited			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 2013	5.97	5.40	3,801	6.05	5.60	3,491
May 2013	5.70	4.51	8,515	6.15	5.80	22
June 2013	4.69	3.86	9,971	5.75	5.75	10
July 2013	5.02	4.05	25,039	5.50	5.25	700
August 2013	4.89	4.65	1,626	5.25	5.00	75
September 2013	5.25	4.52	11,375	5.00	4.10	3,397
October 2013	4.87	3.81	10,525	4.25	3.70	4,692
November 2013	4.71	3.81	13,819	4.40	3.70	3,220
December 2013	5.65	4.25	7,353	6.30	4.20	17,718
January 2014	8.60	5.93	19,515	8.35	6.50	26,771
February 2014	7.60	5.14	14,742	7.60	5.30	6,012
March 2014	5.85	3.43	113,369	5.70	3.50	65,468

### (e) Registrar & Transfer Agents:

**M/s. Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,

L.B.S Marg, Bhandup (West), Mumbai – 400 078

Telephone No. 022 – 25963838 Fax No.022 – 2594 6969

### (f) Share Transfer System:

The shares of the Company are permitted for trading in dematerialization form only. The Company's shares are available for trading in the depository systems of both NSDL and CDSL. Security Code No. with NSDL and CDSL is - ISIN No. INE584F01014. About 99.99% shares of the Company are in demat mode as on 31<sup>st</sup> March 2014.



**(g) Shareholding Pattern as on 31<sup>st</sup> March, 2014:**

SN	Category	No. of Shares held	%
<b>A.</b>	<b>Promoters and Promoter Group</b>		
1	Individual / Hindu Undivided Family	3074573	23.33
2	Bodies Corporate	2475560	18.79
	<b>Total</b>	<b>5550133</b>	<b>42.12</b>
<b>B.</b>	<b>Non- Promoters Holding</b>		
<b>1</b>	<b>Institutional Investors</b>	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Others</b>		
	a. Private Corporate Bodies	2875407	21.82
	b. Individuals	4641545	35.22
	c. NRIs / NRNs	83958	0.64
	d. Clearing Members	27205	0.20
	<b>Total</b>	<b>7628115</b>	<b>57.88</b>
	<b>Sub-Total (1+2)</b>	<b>7628115</b>	<b>57.88</b>
	<b>GRAND TOTAL (A) + (B)</b>	<b>13178248</b>	<b>100.00</b>

**Distribution of Shareholding as on 31<sup>st</sup> March 2014:**

No. of Shares			No. of Shareholders		No. of Shares	
From	-	To	Number	%	Number	% to total capital
1	-	500	4879	78.4405	1065626	8.0862
501	-	1000	660	10.6109	565563	4.2916
1001	-	2000	329	5.2894	518647	3.9356
2001	-	3000	93	1.4952	237677	1.8036
3001	-	4000	51	0.8199	184874	1.4029
4001	-	5000	54	0.8682	257515	1.9541
5001	-	10000	71	1.1415	514399	3.9034
10001 and above			83	1.3344	9833947	74.6226
<b>TOTAL</b>			<b>6220</b>	<b>100.00</b>	<b>13178248</b>	<b>100.00</b>

**8. Plant locations**

**: Unit No. I - II**

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:

<p><b>M/s. Link Intime India Private Limited</b> C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078</p>
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## 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 31<sup>st</sup> March, 2014.

For **MANGALAM DRUGS AND ORGANICS LIMITED**

Place : Mumbai

Dated: 25<sup>th</sup> August 2014

**GOVARDHAN M. DHOOT**  
CHIEF EXECUTIVE OFFICER

**Registered Office:**

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

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## **CHIEF EXECUTIVE OFFICER CERTIFICATION**

I hereby certify that:

- (i) I had reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of my 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) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (iii) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I had evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I had disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal Controls, if any, of which I was aware and the steps I had taken or propose to take to rectify these deficiencies.
- (iv) I had indicated to the Auditors and the Audit Committee:
  - (a) There has not been any significant change in internal control over financial reporting during the year under reference.
  - (b) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - (c) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **MANGALAM DRUGS AND ORGANICS LIMITED**

Place: Mumbai  
Dated: 25<sup>th</sup> August 2014

**GOVARDHAN M. DHOOT**  
CHIEF EXECUTIVE OFFICER

**Registered Office:**

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

**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 31<sup>st</sup> March 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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**  
Chartered Accountants

Place: Mumbai  
Date: 25<sup>th</sup> August 2014

(Rakesh K. Milwani)  
Proprietor  
Membership No. 36099  
Firm Registration No. 106405W



## **ANNEXURE – ‘III’ TO DIRECTORS REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

Your board of directors always believes in the principles of good corporate governance. The Board believes in highest level of transparency, accountability, financial control and believes in enhancing overall long term shareholder value and at the same time protecting the interest of other shareholders.

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

The Indian Pharma Industries today is one of the fastest growing industries in the world. 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. In keeping with glorious track record of yester years ,your company has been successful in augmenting its international market presence in spite of its global recessionary pressure.

#### **Opportunities:**

In order to be frontline in International Antimalarial and Antiretroviral drugs, Mangalam has partnered with Bill Clinton foundation for supplying Anti-malarial API to various formulations. Mangalam is also working actively towards WHO-GMP Certification from Geneva for its API facilities. These activities will provide Mangalam a new and much stronger platform to harness its capabilities in R&D, manufacturing and global market.

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

Pharma Industry is continuously faced with a cost price squeeze largely due to relentlessly increase in raw-material and energy cost. Foreign market is becoming more and more volatile and these factors are putting pressure on profit margin. In order to reduce the pricing pressure Mangalam is focusing on optimization of product mix and improving the product yield.

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

During the year under review, the company earned a total income of Rs 12,275.98 lacs as compared to Rs 12,683.14 lacs made in the previous year, a decrease of 3.21% than the previous year. The company's losses have considerably reduced to Rs 303.92 lacs as against Rs 1179.94 lacs in the previous year basically on account of new and innovative improvement in process, development of new dosage forms and drugs delivery system; cost reduction etc have resulted in improvement in yield which in turn reduced losses considerably.

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

The Management continuously reviews the internal control systems and procedure leading to orderly and efficient conduct of its business. Internal audit is conducted throughout the year to monitor and report on the effectiveness of the internal controls in the organizations. The internal audit report are brought to the notice of the Audit Committee and corrective measures are recommended for implementation. Reports of the internal auditors are also continuously reviewed by the management and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems.

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

Human Resource Management is the management of organizations human resources. It is responsible for the attraction, selection, training, assessment and rewarding of employees, while also overseeing organizational leadership and culture and ensuring compliance with employment and labour laws.

The progress of the company is highly dependent upon satisfaction of human resources. The management believes that happiness and satisfaction of human resources is the ultimate responsibility of the company. The company work force comprises of around 500 employees. A cordial industrial relation environment prevailed in the company during the year.

#### **Health and Safety Measures:**

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



## INDEPENDENT AUDITORS REPORT

To :

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

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **MANGALAM DRUGS & ORGANICS LIMITED** ("the Company"), which comprise the **Balance sheet** as at 31<sup>st</sup> March, 2014, the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give true & fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Company's Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures select depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### OPINION

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

(CA. RAKESH K. MILWANI)  
 PROPRIETOR: **MILWANI ASSOCIATES**

Place : Mumbai  
 Date : 29th, May 2014

Membership No. 036099  
 Firm Registration No. 106405w



**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)	<b>Excise Duty &amp; Service Tax</b>		
	a) 2009-10	5.00	CESTAT, Ahmedabad.
	b) 2011-12	24.82	Commissioner (Appeals)-Daman
	c) 2011-12	364.64	Commissioner Central Excise & service tax- Daman
	<b>Sub Total</b>	<b>394.46</b>	
2)	<b>Income Tax</b>		
	a) 2002 – 2003	00.86	Income Tax Appellant Tribunal Mumbai
	b) 2003 – 2004	00.88	Income Tax Appellant Tribunal Mumbai
	c) 2004 – 2005	22.09	Income Tax Appellant Tribunal Mumbai
	d) 2005 – 2006	1.36	Commissioner of Income Tax Appeals-Mumbai
	e) 2006 – 2007	21.42	Commissioner of Income Tax Appeals- Mumbai
	f) 2010 – 2011	1715.29	Commissioner of Income Tax Appeals-Mumbai
	<b>Sub Total</b>	<b>1761.90</b>	





Nature of Dues		Amount (Rs. In Lacs)	Forum where dispute is Pending
3)	<b>Maharashtra Sales Tax</b>		
a)	2005-2006-VAT	705.72	Dy.Commissioner of Sales Tax –Appeal-VI
b)	2005-2006-CST	23.11	Dy.Commissioner of Sales Tax –Appeal-VI
c)	2008-2009-VAT	633.44	Dy.Commissioner of Sales Tax –Appeal-VI
d)	2009-2010-VAT	33.19	Dy.Commissioner of Sales Tax –Appeal-VI
	<b>Sub Total</b>	<b>1395.46</b>	
	<b>Total</b>	<b>3551.82</b>	

- 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/mutul 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 during the year has not 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) The Company has not raised any money by public issues during the year. Accordingly ,the question of disclosure of end use of such monies does not arise.
- xxi) 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**

Place : Mumbai  
 Date : 29th, May 2014

Membership No.036099  
 Firm Registration No. 106405w

**BALANCE SHEET AS ON 31ST MARCH, 2014**

(Rs. in Lacs)

Particulars	Note No	As at 31 March, 2014	As at 31 March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	1,317.82	1,317.82
(b) Reserves and surplus	3	1,004.47	1,308.39
<b>Sub Total -Shareholders funds</b>		<b>2,322.29</b>	<b>2,626.21</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	4,020.21	4,394.32
(b) Deferred Tax Liabilities (Net)	5	58.56	145.27
<b>Sub Total -Non-Current Liabilities</b>		<b>4,078.77</b>	<b>4,539.59</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	3,136.67	2,866.27
(b) Trade payables		2,086.73	1,069.76
(c) Other current liabilities	7	919.97	375.92
<b>Sub Total -Current Liabilities</b>		<b>6,143.37</b>	<b>4,311.95</b>
<b>TOTAL</b>		<b>12,544.43</b>	<b>11,477.75</b>
<b>B ASSETS</b>			
<b>1 I) Non-current assets</b>			
Fixed assets			
(i) Tangible assets	8	5,338.43	5,513.37
Long-term loans and advances	9	239.77	221.04
<b>Sub Total -Non-Current Assets</b>		<b>5,578.20</b>	<b>5,734.41</b>
<b>2 Current assets</b>			
(a) Current Investments	10	17.92	18.44
(b) Inventories	11	3,647.76	3,105.96
(c) Trade receivables	12	2,968.73	2,387.06
(d) Cash and cash equivalents	13	10.23	8.79
(e) Short-term loans and advances	14	321.59	223.09
<b>Sub Total Current Assets</b>		<b>6,966.23</b>	<b>5,743.34</b>
<b>TOTAL</b>		<b>12,544.43</b>	<b>11,477.75</b>
<b>Significant accounting policies</b>	1		
<b>The accompanying Notes 1 to 22 are an integral part of the financial statements</b>			

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: MILWANI ASSOCIATES

For and on behalf of the Board of Directors

Membership No: 36099

Firm Registration No: 106405W

(Shri Govardhan M.Dhoot) (Shri Subhash C.Khattar)

Chairman

Director

Place : Mumbai

Date : 29<sup>th</sup> May 2014



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2014

(Rs. in Lacs)

Particulars	Note No	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>A CONTINUING OPERATIONS</b>			
<b>1</b> Revenue from operations	15	12,697.23	12,870.09
Less: Excise duty		465.26	344.22
Revenue from operations		12,231.97	12,525.87
<b>2</b> Other income	16	44.01	157.27
<b>3 Total revenue (1+2)</b>		12,275.98	12,683.14
<b>4 Expenses</b>			
(a) Cost of materials consumed	17	8,374.88	8,104.06
(b) Changes in inventories of finished goods, work in progress and stock in trade	18	(544.63)	2,005.28
(c) Employee benefits expense	19	1,024.55	867.19
(d) Finance costs	20	974.21	1,002.24
(e) Depreciation	8	401.05	393.97
(f) Other Expenses	21	2,436.55	1,990.32
<b>Total expenses</b>		12,666.61	14,363.06
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(390.63)	(1679.92)
<b>6 Exceptional items</b>		-	-
<b>7 Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		(390.63)	(1,679.92)
<b>8</b> Extraordinary items		-	-
<b>9 Profit / (Loss) before tax (7 ± 8)</b>		(390.63)	(1,679.92)
<b>10 Tax expense:</b>			
(a) Current tax		-	-
(b) Deferred tax		(86.71)	(499.98)
		(86.71)	(499.98)
<b>11 Profit / (Loss) for the year (9 ± 10)</b>		(303.92)	(1,179.94)
<b>12 Earning Per equity share:</b>			
1) Basic	22	(2.31)	(8.95)
2) Diluted		(2.31)	(8.95)
<b>Significant accounting Policies</b>			
<b>The accompanying Notes 1 to 22 are an integral part of the financial statements</b>			

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: MILWANI ASSOCIATES

For and on behalf of the Board of Directors

Membership No: 36099

Firm Registration No: 106405W

Place : Mumbai

Date : 29<sup>th</sup> May 2014

(Shri Govardhan M.Dhoot) (Shri Subhash C.Khattar)

Chairman

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
<b>A Cash Flow from Operating Activities</b>		
'Net Profit before Tax	(390.63)	(1679.92)
<u>Adjustment for :</u>		
'Depreciation	401.05	393.97
'Profit on sales of Fixed Assets	-	(4.42)
Profit/Loss on sales of Investments	1.63	-
'Dividend Income	(0.90)	(2.64)
'Interest Expenses	974.21	1,002.24
'Operating Profit before Working Capital changes	985.36	(290.77)
<u>Adjustment for :</u>		
'Trade & Other receivables	(688.90)	(1,339.92)
'Inventories	(541.80)	1,792.50
'Trade Payable	1,001.94	(217.02)
'Cash generated from Operation	756.60	(55.21)
Less :		
'Taxes Paid	(8.27)	(10.62)
Net Cash from Operating Activities	748.33	(65.83)
<b>B Cash Flow from Investing Activities</b>		
'Purchase of Fixed Assets / Capital Expenditure	(230.25)	(210.34)
'Sale of fixed Assets	2.50	6.20
'Purchase/ Sale of Investments	0.53	(4.00)
'Dividend received	0.90	2.64
'Net Cash from Investing Activities	(226.32)	(205.50)
<b>C Cash Flow from Financing Activities</b>		
Long Term Borrowings	183.25	1,717.92
Short Term borrowings	270.39	(538.24)
Dividend Paid	-	-
Interest Expenses	(974.21)	(1,002.24)
Net Cash from Financing Activities	(520.57)	177.44
<b>Net decrease in cash &amp; cash Equivalents (A+B+C)</b>	1.44	(93.89)
Opening Balance of Cash & Cash Equivalents	8.79	102.68
Closing Balance of Cash & Cash Equivalents	10.23	8.79

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: MILWANI ASSOCIATES

For and on behalf of the Board of Directors

Membership No: 36099

Firm Registration No: 106405W

(Shri Govardhan M.Dhoot) (Shri Subhash C.Khattar)

Chairman

Director

Place : Mumbai

Date : 29<sup>th</sup> May, 2014



## Notes to financial statement for the year ended 31<sup>st</sup> March, 2014

### 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 & other direct expenses
- iii) Finish goods are valued at cost or realizable market value whichever is lower.

#### h. FOREIGN CURRENCY TRANSACTIONS

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

#### i. RETIREMENT BENEFITS

- i) The Company makes regular monthly contribution to provident and pension fund Maintained by provident fund commissioners.
- ii) Defined Benefit plan in the form of gratuity are determined using the projected Unit credit method as at Balance sheet date
- iv) The Company has provided for leave encashment for the leave balances as on 31<sup>st</sup> March, 2013

#### 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.



Note No	Particulars	As At 31-03-2014		As At 31-03-2013	
		In Numbers	In Lacs	In Numbers	In Lacs
<b>2</b>	<b>SHARE CAPITAL</b>				
a)	<b>Authorised</b> (2,00,00,000 Equity Shares of Rs.10 Each ) (31st March-2011 :200,00,000/-Equity shares of Rs.10 each)	<b>200,00,000</b>	<b>2,000.00</b>	200,00,000	2,000.00
			<b>2,000.00</b>		2,000.00
b)	<b>ISSUED SUBSCRIBED AND PAID UP</b> 1,31,78,248 Equity Shares of Rs.10/-each fully paid up (Previous Year1,31,78,248/-Equity Shares of Rs.10/-each) 1) 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.		<b>1,317.82</b>		1,317.82
			<b>1317.82</b>		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, 2014. and March 31, 2013.**

Equity Shares (issued Capital )	As at 31-03-2014		As At 31-03-2013	
	In Numbers	In Lacs	In Numbers	In Lacs
Shares outstanding at the beginning of the year	13,178,248	1317.82	13,178,248	1317.82
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	13,178,248	1,317.82	13,178,248	1,317.82

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

Equity Shares	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
Fully paid up pursuant to contract (S)	0	0	0	0	0
without payment being received in cash	0	0	0	0	0

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

Sr.No	Name of Shareholder	Equity Shares			
		As at 31 March 2014		As at 31 March 2013	
		No of Shares held	% of Holding	No of Shares held	% of Holding
1	Shree Kishoriju Trading and Investment Pvt.Ltd	1144522	8.68	1144522	8.68
2	Shree Rashbihari Trading and Investment Pvt.Ltd	1139518	8.65	1139518	8.65
3	IPCA Laboratories Ltd	1633417	12.39	1633417	12.39



(Rs. in Lacs)

Note No	RESERVES AND SURPLUS	As at 31-03-2014	As at 31-03-2013
<b>3</b>	<b>A) GENERAL RESERVE :-</b>		
	Balance as per last Balance Sheet	1,079.05	1,079.05
	Add:-Transfer During the Year	-	-
	<b>Total Amount (A)</b>	<b>1,079.05</b>	<b>1,079.05</b>
	<b>B) SHARE PREMIUM :-</b>		
	Balance as per last Balance Sheet	780.03	780.03
	Add:-Transfer During the Year	-	-
	<b>Total Amount (B)</b>	<b>780.03</b>	<b>780.03</b>
	<b>C) PROFIT AND LOSS ACCOUNT :-</b>		
	Balance as per Last Balance Sheet	(550.69)	629.25
	Add:- Profit/(Loss) for the year	(303.92)	(1179.94)
	<b>Total Amount ©</b>	<b>(854.61)</b>	<b>(550.69)</b>
	<b>Total Amount (A+B+C)</b>	<b>1,004.47</b>	<b>1,308.39</b>

(Rs. in Lacs)

Note No	LONG TERM BORROWINGS	As At 31-03-2014	As At 31-03-2013	As At 31-03-2014	As At 31-03-2013
<b>4</b>		<b>Non-Current</b>		<b>Current (Refer Note :07)</b>	
	<b>Term Loans (Secured)</b>				
	Rupee Term loans from Banks	2,448.25	2,982.98	553.51	-
	Motor Car Loan From ICICI Bank Ltd.	22.52	11.62	7.62	3.52
	<b>From Others (Unsecured)</b>	1,549.44	1,360.00	-	-
	<b>Deferred Payment Liabilities:-</b>				
	Deferred Sales tax loan (unsecured)	-	39.72	-	0.26
	<b>Total Amount</b>	<b>4,020.21</b>	<b>4,394.32</b>	<b>561.13</b>	<b>3.78</b>

NOTE:

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

(Rs. in Lacs)

Note No	DEFERRED TAX LIABILITY (NET)	As At 31-03-2014	As At 31-03-2013
<b>5</b>	Balance as per Last Balance Sheet	145.27	645.25
	Add:-Transfer during the year	(86.71)	(499.98)
	<b>Total Amount</b>	<b>58.56</b>	<b>145.27</b>
Note No	SHORT TERM BORROWINGS	As At 31-03-2014	As At 31-03-2013
<b>6</b>	<b>Secured</b>		
	I) Loans Repayable on demand From Banks	3,111.67	2,791.27
	II) Other Short Terms Borrowing From Others Parties	25.00	75.00
	<b>Total Amount</b>	<b>3,136.67</b>	<b>2,866.27</b>

Note

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


**(Rs. In Lacs)**

Note No	OTHER CURRENT LIABILITIES		As at 31-03-2014	As at 31-03-2013
7	a)	Current maturities of long-term debt (refer note no.4" Longterm borrowing ")	561.13	3.78
	b)	Accrued salaries and benefit	117.57	104.50
	c)	Interest accrued and due on borrowings	35.80	29.21
	d)	Statutory dues	163.58	179.47
	e)	Provision for expenses	41.89	58.96
	<b>Total Amount</b>		<b>919.97</b>	<b>375.92</b>

**8) FIXED ASSETS**
**(Rs. In Lacs)**

Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Balance as at 01-04-2013	Addition	Deletions	Balance as at 31-03-2014	Balance as at 01-04-2013	Depreciation Charge for the year	Deduction	Balance as at 31-03-2014	Balance as at 31-03-2014	Balance as at 31-03-2013
<b>A) Tangible Assets</b>										
(Not Under Lease)										
Land	54.40	-	-	54.40	-	-	-	54.40	54.40	54.40
Building	977.69	-	-	977.69	273.71	30.42	-	304.13	673.56	703.99
Plant & Machinery	7,034.90	207.35	7.17	7,235.08	2,523.43	337.62	-	2,861.05	4,374.02	4,511.47
Furniture and Fixtures	63.36	2.49	-	65.85	49.46	4.09	-	53.55	12.30	13.89
Motor Cars & Vehicles	119.58	21.09	15.65	125.01	79.69	10.78	11.53	78.95	46.07	39.89
Office & Electrical Equipments	165.59	0.28	-	165.87	77.38	8.69	-	86.07	79.80	88.21
Laboratory Equipments	74.11	0.25	-	74.36	26.48	3.52	-	30.00	44.35	47.63
Air Conditioner	13.96	2.53	-	16.49	4.61	0.74	-	5.35	11.15	9.36
Computer	74.49	2.89	-	77.38	62.14	3.53	-	65.67	11.71	12.35
R/D Equipments	34.84	0.55	-	35.39	2.66	1.66	-	4.32	31.07	32.18
<b>Sub Total</b>	<b>8,612.92</b>	<b>237.43</b>	<b>22.82</b>	<b>8,827.52</b>	<b>3,099.56</b>	<b>401.05</b>	<b>11.53</b>	<b>3,489.09</b>	<b>5,338.43</b>	<b>5,513.37</b>
<b>B) Intangible Assets</b>										
<b>Sub Total</b>	-	-	-	-	-	-	-	-	-	-
<b>C) Capital Work in Process</b>										
<b>Sub Total</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>8,612.92</b>	<b>237.43</b>	<b>22.82</b>	<b>8,827.52</b>	<b>3,099.56</b>	<b>401.05</b>	<b>11.53</b>	<b>3,489.09</b>	<b>5,338.43</b>	<b>5,513.37</b>
<b>Previous Year</b>	8,407.69	236.93	31.70	8,612.92	2,708.91	393.97	3.32	3,099.56	5,513.37	-

**(Rs. In Lacs)**

Note No	LONG TERM LOANS AND ADVANCES	As at 31-03-2014	As At 31-03-2013
9	<b>Unsecured and Considered good</b>		
A)	<b>Security Deposits</b>		
	Unsecured and Considered Good	<b>64.50</b>	55.76
B)	<b>Other Loans &amp; advances</b>		
	Tax Payments less Provisions	<b>175.27</b>	165.28
	<b>Total Amount</b>	<b>239.77</b>	221.04





(Rs. In Lacs)

Note No.	Face Value	Nos of Shares	Amount of Shares (in Lacs)			
			per share (inRs)	Current Year	Previous Year	Current Year
10 CURRENT INVESTMENTS			31.03.14	31.03.13	31.03.14	31.03.13
<b>A Quoted Investments :</b>						
1 IMP Power Ltd.	10	172,172	172,172	172,172	11.62	11.62
2 Gujarat State Finance Corpn. Ltd.	10	900	900	900	0.19	0.19
3 Ajanta Pharma	10	1	1	1	0.00	0.00
4 Avon Organics	10	1	1	1	0.00	0.00
5 Fine Drugs	10	1	1	1	0.00	0.00
6 Hikal Chemicals	10	1	1	1	0.00	0.00
7 J. B. Chemicals	2	5	5	5	0.00	0.00
8 Kanoria Chem	10	1	1	1	0.00	0.00
9 Krebs Biochem	10	1	1	1	0.00	0.00
10 Morepen Lab	2	1	1	1	0.00	0.00
11 Neuland Lab	10	1	1	1	0.00	0.00
12 Orchid Chem	10	1	1	1	0.00	0.00
13 Pearl Organics	10	1	1	1	0.00	0.00
14 Sun Pharmaceuticals	5	1	1	1	0.00	0.00
15 Torrent Pharma	5	4	4	4	0.00	0.00
16 Torrent Gujarat	10	1	1	1	0.00	0.00
17 Aarti Drugs Ltd	10	5	5	5	0.00	0.00
18 Granules Industries	10	1	1	1	0.00	0.00
<b>Total (A)</b>		<b>173,099</b>	<b>173,099</b>	<b>173,099</b>	<b>11.84</b>	<b>11.84</b>
Market Value of quoted shares Rs. 37,95,178/- Previous year Rs.48,28,368/-						
<b>B Unquoted Investments :</b>						
1 National Savings Certificate	-	-	-	-	1.82	2.34
2 Shares of Saraswat Co-op Bank Ltd.	-	2,500	2,500	2,500	0.25	0.25
3 Shares of PMC Bank Ltd	-	18,200	40	40	4.01	4.01
<b>Total (B)</b>		<b>20,700</b>	<b>2,540</b>	<b>2,540</b>	<b>6.08</b>	<b>6.60</b>
<b>TOTAL (A+B)</b>		<b>193,799</b>	<b>175,639</b>	<b>175,639</b>	<b>17.92</b>	<b>18.44</b>

(Rs. In Lacs)

Note No.	INVENTORIES	As at 31-03-2014	As At 31-03-2013
11	(Valued at lower of cost and net realisable value)		
	Raw Materials	1,089.01	1,093.49
	Packing Materials	12.65	11.00
	Finished Goods	1,034.02	1,039.39
	Work-in-Progress	1,512.08	962.08
	<b>Total Amount</b>	<b>3,647.76</b>	<b>3,105.96</b>



			(Rs. In Lacs)		
Note No		As at 31-03-2014	As At 31-03-2013		
12	<b>TRADE RECEIVABLES</b>				
	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured and Considered Good	2,939.32	2,347.56		
	Trade receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured and Considered Good	29.41	39.50		
	<b>Total Amount</b>	<b>2,968.73</b>	<b>2,387.06</b>		
13	<b>CASH AND CASH EQUIVALENTS</b>				
	A) Cash on Hand	4.31	1.27		
	B) Balance with Banks				
	I) In Current Accounts	2.19	3.79		
	II) In Deposits Accounts	3.73	3.73		
	<b>Total Amount</b>	<b>10.23</b>	<b>8.79</b>		
14	<b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured & Considered good)				
	Prepaid Expenses	16.70	10.11		
	Loans to employees-staff advances	2.89	3.21		
	Balance with statutory / Governments authorities	297.93	203.37		
	Others	4.07	6.40		
	<b>Total Amount</b>	<b>321.59</b>	<b>223.09</b>		

			(Rs. In Lacs)		
15	REVENUE FROM OPERATIONS	Year ended 31-03-2014	Year ended 31-03-2013		
	Sale of products	12,615.17	12,820.52		
	Sale of Services	74.55	44.08		
	Scrap Sales	7.51	5.49		
	<b>Revenue from Operations (Gross)</b>	<b>12,697.23</b>	<b>12,870.09</b>		
	Less:- Excise Duty	465.26	344.22		
	<b>Revenue from Operations (Net)</b>	<b>12,231.97</b>	<b>12,525.87</b>		
16	<b>OTHER INCOME</b>				
	<b>1) Exports Benefits</b>				
	a) Duty Drawback Rebate Claim	16.15	18.16		
	b) Excise Duty Rebate Claim	19.64	86.15		
	Total -(I)	<b>35.79</b>	<b>104.31</b>		
	<b>II) Others</b>				
	a) House Rent Recd.	3.88	3.70		
	b) Miscellaneous Receipts	-	42.20		
	c) Profit on sale of Asset	-	4.42		
	d) Disc recd on Sales tax deferred loan	3.44	-		
	<b>Total-(II)</b>	<b>7.32</b>	<b>50.32</b>		



(Rs. In Lacs)

Note No		Year ended 31-03-2014	Year ended 31-03-2013
III)	<b>Dividend Recd.</b>	0.90	2.64
	Total -(III)	<b>0.90</b>	<b>2.64</b>
	<b>Total Amount (I+II+III)</b>	<b>44.01</b>	<b>157.27</b>
<b>17</b>	<b>COST OF RAW MATERIALS CONSUMED</b>		
	Inventory at the beginning of the year	1,093.49	881.76
	Add:- Purchases	8,855.52	8,531.42
		<b>9,949.01</b>	<b>9,413.18</b>
	Less:- Inventory at the end of the year	1,089.01	1,093.49
	Cenvat Availed	485.12	215.63
	<b>Total Amount</b>	<b>8,374.88</b>	<b>8,104.06</b>
<b>18</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
	Inventory at the end of the year		
	Work in Progress	1,512.08	962.08
	Finished Goods	1,034.02	1,039.39
	<b>Total (A)</b>	<b>2,546.10</b>	<b>2,001.47</b>
	Inventory at the beginning of the year		
	Work in Progress	962.08	651.23
	Finished Goods	1,039.39	3,355.52
	<b>Total (B)</b>	<b>2,001.47</b>	<b>4,006.75</b>
	<b>Increase / (Decrease) in inventories (A-B)</b>	<b>(544.63)</b>	<b>2,005.28</b>
<b>19</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries ,Wages and Bonus	911.09	757.61
	Contribution to -Provident and other funds	80.31	76.72
	Staff welfare expenses	22.73	16.65
	Others	10.42	16.21
	<b>Total Amt</b>	<b>1,024.55</b>	<b>867.19</b>
<b>20</b>	<b>FINANCE COST</b>		
	Interest Expenses	754.62	770.42
	Bank Charges	67.35	102.52
	Other Borrowing Costs	152.24	129.30
	<b>Total Amt</b>	<b>974.21</b>	<b>1,002.24</b>
<b>21</b>	<b>OTHERS EXPENSES</b>		
	<b>MANUFACTURING EXPENSES</b>		
	Carriage Inward & Freight	15.02	13.99
	Excise Duty diff on Finished & Semi-finished stock	(20.46)	(66.52)
	Job Work	46.02	48.50
	Power, Fuel,Electricity& Water	1,087.87	813.63
	Repairs and Maintenance	155.97	152.09
	Sales Tax Paid	168.46	99.78
	Laboratory Exps	78.58	60.58
	Pollution Control Exps	120.47	75.83
	Stores and Spares	99.43	85.95
	Testing Fees	16.67	13.85
	<b>Total (A)</b>	<b>1,768.03</b>	<b>1,297.68</b>


**(Rs. In Lacs)**

Note No	Year ended 31-03-2014	Year ended 31-03-2013
<b>ADMINISTRATIVE EXPENSES</b>		
Directors Remuneration	7.20	7.20
Donation	0.19	0.11
Insurance Charges	10.81	15.36
Legal and Professional Fees	25.30	24.32
Miscellaneous Expenses	8.93	19.28
Postage and Telegram	7.77	8.22
Printing and Stationery	23.17	21.02
Rent, Rates and Taxes	8.00	15.76
Travelling and Conveyance	32.85	29.10
Vehicle Expenses	34.28	36.17
Service charges	17.74	15.32
Office Expenses	15.05	14.37
Telephone telex & fax charges	12.91	11.29
Retainership Fees	14.32	24.83
Membership and subscription fees	1.61	1.90
Registration & Licence Fees	8.10	19.08
Stamp Duty Expense	0.49	8.82
Computer Expense	6.45	5.40
Listing Fees	1.54	0.98
Service & Cess Tax on Goods Transport	5.15	1.48
Profit/Loss on Sale of Asset	1.63	-
<b>Total (B)</b>	<b>243.49</b>	280.01
<b>AUDITORS REMUNERATION EXPENSES</b>		
Statutory Audit Fees	1.75	1.75
Tax Audit Fees	0.80	0.80
Mvat Audit Fees	0.20	0.20
Certification Fees	1.29	0.48
<b>Total (C)</b>	<b>4.04</b>	3.23
<b>(Figures Include Net of Service Tax )</b>		
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement & Sales Promotion	<b>28.23</b>	26.75
Packing and Forwarding	<b>83.53</b>	72.33
Carriage Inward & Freight	<b>87.05</b>	152.27
Sales Commission and Discount	<b>147.08</b>	64.63
<b>Total (D)</b>	<b>345.89</b>	315.98
<b>RESEARCH &amp; DEVELOPMENT EXPENSES (UNIT-2)</b>		
Research & Development Expenses	<b>3.11</b>	5.22
Salary & Wages	<b>62.09</b>	79.13
Laboratory Expenses	<b>9.90</b>	9.07
<b>Total (E)</b>	<b>75.10</b>	93.42
<b>Total Amount (A+B+C+D+E)</b>	<b>2,436.55</b>	1,990.32
<b>22 Profit / Loss after taxation as per Profit &amp; Loss Account</b>	<b>(303.92)</b>	(1,179.94)
Number of equity shares outstanding	<b>131.78</b>	131.78
Basic & Diluted Earnings per share in rupee (Equity Shares of Rs .10/- Each)	<b>(2.31)</b>	(8.95)

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

PARTICULARS	CURRENT YEAR Amount in Rs	PREVIOUS YEAR Amount in Rs.
<b>A) Performance Guarantees/ Bonds</b>		
(i) Guarantee executed in favor of Assistant Collector of Customs	-	19,85,000
(ii) Guarantee executed in favor of Export Parties.	68,300	68300
(iii) Guarantee executed in favor of Central Excise	14,87,063	15,21,053
<b>B) Others</b>		
(iv) Guarantee given to GSPC Gas Co Ltd	75,12,591	67,28,843
(vi) Guarantee given to GPCB	7,00,000	8,00,000

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

PARTICULARS	CURRENT YEAR Amount in lacs	PREVIOUS YEAR Amount in lacs
(i) Raw Materials	4787.75	5242.05
(ii) Commission on Exports	16.62	19.04
(iii) Travelling Expenses	4.43	3.08
(iv) Earnings in foreign currency on export of goods on CIF basis (Including deemed exports)	3718.65	6402.25

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

PARTICULARS	%	VALUE (RS. IN Lacs)
(i) Imported	58	4844.16
	(64)	(5211.08)
(ii) Indigenous	42	3530.72
	(36)	(2892.98)

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

Description of products	Licensed Capacity	Installed Capacity(Tons)	Production (Tons)
Bulk Drugs & Intermediates	N.A. (N.A.)	600 (600)	447.31 (387.79)

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

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

Particulars	Opening Stock		Sales		Closing Stock	
	QTY	VALUE	QTY	VALUE	QTY	VALUE
1.Bulk Drugs & Intermediates	84.03 (137.30)	1039.39 (3355.52)	451.24 (441.06)	12231.97 (12525.87)	80.10 (84.03)	1034.02 (1039.39)

**Note No.28.**

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

**Note No.29**

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

**Note No.30.**

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

**Note No.31.**

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

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

Secondary Segments – Geographical Segments

(Rs. In Lacs)

Sr. No.	PARTICULARS	DOMESTIC	EXPORT	TOTAL
1	Segment revenue by geographical area based on geographical location of customers (including sales, service, export incentives, etc.	8513.32	3718.65	12231.97

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

**Note No. 33.**

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

- A) Associate Companies and others.
- Raga Organics Private Ltd.
  - Mangalam Laboratories Pvt. Ltd.
- B) Key Management Personnel
- Shri Govardhan M. Dhoot
  - Shri Subhash C.Khattar
  - Shri Rajendraprasad K. Mimani
- 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 (Rs. in Lacs)
Remuneration	-	7.20	2.40	9.60
Rent paid	-	3.00	-	3.00
Outstanding Balance				
- Payable	1549.44	-	-	1549.44
- Rent deposit	-	7.00	-	7.00
- Sitting Fees	-	0.24	-	0.24

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

Defined benefit plan as per actuarial valuation on March 31, 2014

(Amount in Rs.)

I	Expense recognized in the statement of Profit & Loss for the year ended March 31,2014	Current year	Previous year
1	Current Service Cost	8,15,931.00	7,13,343.00
2	interest Cost	6,49,875.00	4,84,222.00
3	Expected return on plan assets	(7,45,869.28)	(4,75,111.00)
4	Net Auctorial gain/loss recognized in the year	5,15,717.00	12,82,581.00



5	Expenses Recognized in statement of P & L	12,35,654.00	20,05,035.00
<b>II</b>	<b>Net Asset/(Liability) recognised in the Balance Sheet as at March 31,2014</b>		
1	Present value of obligations as at the end of year	94,83,724.00	81,23,436.00
2	Fair value of plan assets as at the end of the year	94,88,671.00	75,38,208.00
3	Funded status	4947.00	(5,85,228.00)
4	Net asset/liability recognized in balance sheet	4947.00	(5,85,228.00)
<b>III</b>	<b>Change in obligation during the year ended March 31,2014</b>		
1	Present value of obligation as at beginning of year	81,23,436.00	60,52,768.00
2	interest Cost	6,49,875.00	4,84,222.00
3	Current Service Cost	8,15,931.00	7,14,343.00
4	Benefits paid	6,21,235.00	4,09,478.00
5	Actuarial gain /loss on obligations	5,15,717.00	12,82,581.00
6	Present value of obligation as at end of year	94,83,724.00	81,23,436.00
<b>IV</b>	<b>Change in assets during the year ended March 31,2014</b>		
1	Fair value of plan assets at beginning of year	75,38,208.00	46,47,929.00
2	Expected return on plan assets	(7,45,869.28)	4,75,111.00
3	Contributions	18,25,828.72	28,24,646.00
4	Benefits paid	(6,21,235.00)	(4,09,478.00)
5	Actuarial gain /loss on Plan Assets	-	-
6	Fair value of plan assets at the end of year	94,88,671.00	75,38,208.00
<b>V</b>	<b>The major categories of plan assets as a percentage of total plan</b>		
	Qualifying Insurance Policy	100%	100%
<b>VI</b>	<b>Actuarial Assumptions</b>		
1	Discount Rate	8.00% p.a.	8.00% p.a.
2	Salary Escalation	6.00% p.a.	6.00% p.a.
3	Employee Turnover rate	-	-

**Note No. 35.**

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

In terms of our report attached.

CA. RAKESH K. MILWANI)

PROPRIETOR: MILWANI ASSOCIATES

For and on behalf of the Board of Directors

Membership No: 36099

Firm Registration No: 106405W

Place : Mumbai

Date : 29<sup>th</sup> May 2014

(Shri Govardhan M.Dhoot) (Shri Subhash C.Khattar)  
Chairman Director



**MANGALAM DRUGS AND ORGANICS LIMITED**

(CIN: L24230MH1972PLC116413)

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

**ATTENDANCE SLIP**

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

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

**NAME AND ADDRESS OF THE SHAREHOLDER**

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

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

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

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

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

I/ We hereby record my/ our presence at the 41<sup>st</sup> Annual General Meeting of the Company to be held at the Registered Office on Monday, the 29<sup>th</sup> September 2014 at 11.00 a.m. at 3<sup>rd</sup> Floor, Rupam Building, 239, P. D'Mello Road, Mumbai - 400 001.

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

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





## MANGALAM DRUGS AND ORGANICS LIMITED

(CIN: L24230MH1972PLC116413)

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### PROXY FORM

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

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

Registered address:.....

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

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

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

Whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **41<sup>st</sup> Annual General Meeting** of the Company, to be held on **Monday the 29<sup>th</sup> of September, 2014 at 11:00 A.M.** at 3<sup>rd</sup> Floor, Rupam Building, 239, P. D'Mello Road, Mumbai - 400 001 and at any adjournment thereof in respect of the resolutions as indicated below:

Sr. No.	RESOLUTION	Optional*	
		For *	Against *
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2.	Re-appointment Of Mr. GovardhanMurlidharDhoot, who retires by rotation.		
3.	Re-appointment of M/s. Milwani Associates, Chartered Accountants, as Auditors and to fix their remuneration		
4.	Appointment of Mr. Subhash Chandra Khattar as an Independent Director for a term upto five years with effect from 1 <sup>st</sup> April 2014		
5.	Appointment of Mr. Rajendra Prasad Mimani as an Independent Director for a term upto five years with effect from 1 <sup>st</sup> April 2014		
6.	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money uptoRs. 150 crore over and above the aggregate of the paid-up share capital and free reserves of the Company.		
7.	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charges.		
8.	Re-appointment of M/s AnkitKishorChande., Cost Accountants as Cost Auditors for the year 2014-15.		

Signed this ..... day of ..... 2014.  
(Date) (Month)

Affix  
Revenue  
Stamp

Signatures of:

Signature of Shareholder(s)

.....  
First Proxy Holder

.....  
Second Proxy Holder

.....  
Third Proxy Holder

**Notes:- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**

- (2) For the Resolutions, Explanatory statement and Notes, please refer to the Notice of the 41<sup>st</sup> Annual General Meeting.  
(3) It is optional to put a 'x' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.  
(4) Please complete all details including details of member(s) in above box before submission.



**MANGALAM DRUGS AND ORGANICS LIMITED**

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**ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS  
(41<sup>st</sup> AGM – 29<sup>th</sup> September 2014 - in lieu of e-voting)**

1. Name(s) & Registered Address :  
of the sole / first named Member
2. Name(s) of the Joint-Holder(s), If any :
3. i) Registered Folio No. :  
ii) DP ID No. & Client ID No.  
[Applicable to Members  
holding shares in dematerialised form]
4. Number of Share(s) held :
5. I / We hereby exercise my / our vote in respect of the following resolution(s) to be passed for the business stated in the Notice of the Annual General Meeting dated August 25,2014, by conveying my / our assent or dissent to the resolution(s) by placing tick (✓) mark in the appropriate box below:

RESOLUTIONS		No. of Share(s)	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
<b>Ordinary Business</b>				
1.	Adoption of Audited Financial Statements for the year ended March 31, 2014 and Reports of Board of Directors and Auditors thereon.			
2.	Re- appointment of Mr. Govardhan Murlidhar Dhoot, who retires by rotation and being eligible, offers himself for re-appointment			
3.	Appointment of M/s Milwani Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration			
<b>Special Business</b>				
4.	Appointment of Mr. Subhash Chandra Khattar as Independent Director of the Company under the provisions of Section 149 of the Companies Act, 2013			
5.	Appointment of Mr. Rajendra Prasad Mimani as Independent Director of the Company under the provisions of Section 149 of the Companies Act, 2013			
6.	Special Resolution under Section 180 (1) (c) of the Companies Act 2013 for borrowing an amount not exceeding Rs.150 crore			
7.	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge.			
8.	Ratification of remuneration of M/s Ankit Kishor Chande, Cost Accountants as Cost Auditors for the year 2014-15.			

Place:

Date:

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



- Notes:** (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.  
(ii) Last date for receipt of Assent/Dissent Form: September 23, 2014 (5.30 pm)  
(iii) Please read the instructions printed overleaf carefully before exercising your vote.

## INSTRUCTIONS

### General Instructions

1. As per the Companies Act, 2013, and Clause 35B of the Listing Agreement, the Company has to provide e-voting facility to its shareholders; however the shareholders, who do not have access to e-voting facility may convey their Assent / Dissent in Physical Assent / Dissent Form. If a shareholder has opted for e-voting, then he/she should not vote by Physical Assent / Dissent Form. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote casted through e-voting shall be considered, and vote casted through physical assent/dissent shall not be considered.
2. The notice of 41<sup>st</sup> Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on August 22, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.

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

1. Member desiring to exercise vote by Assent / Dissent Form should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Manish Baldeva, Practicing Company Secretary at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. September 23, 2014 (5.30 pm). All Forms received after this date and time will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. To avoid fraudulent transactions, the identity / signature of the members holding shares in electronic / demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Link Intime India Private Limited). Members are requested to keep the same updated.
4. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
5. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (√) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
6. Members are requested to fill the Form in ineradicable ink and avoid filling it by using erasable writing medium(s) like pencil.
7. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
8. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
9. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form excepting giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
10. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
11. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

BY COURIER

*If undelivered, please return to:*



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