

Mangalam Drugs and Organics Ltd.



Regd. Office : Rupam Building, 3rd Floor, 239 P. D'Mello Road, Near G. P. O. Mumbai - 400 001.
Phone : 91-22-22616200 / 6300 / 8787 • Fax : 91-22-22619090 • CIN : L24230MH1972PLC116413

Date: 04th October, 2017

To,
BSE Limited ,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001

To,
National Stock Exchange of India Ltd
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Scrip Code: 532637

Symbols: MANGALAM

Subject: Submission of Annual Report under Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Dear Sir/Madam,

In compliance with the requirement under Regulation 34(1) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2016-17 duly approved and adopted by the members as per the provisions of the Companies Act, 2013 in the 44th Annual General Meeting held on 26th September, 2017.

The above is for your information and record.

Thanking You,

Your's Sincerely,
For Mangalam Drugs & Organics Ltd

Nikita Bavishi

Nikita Bavishi
Company Secretary

Encl: A/a



44th Annual Report 2016 - 2017



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



BOARD OF DIRECTORS

- GOVARDHAN M. DHOOT – CHAIRMAN & MANAGING DIRECTOR
 SUBHASH C. KHATTAR – INDEPENDENT DIRECTOR
 BRIJMOHAN M. DHOOT – NON - EXECUTIVE DIRECTOR
 ANURADHA SUKHANI – INDEPENDENT DIRECTOR (Appointed w.e.f 16.05.2016)

CHIEF FINANCIAL OFFICER

Mr. Ajay Samant

BANKERS

State Bank Of India
 IDBI Bank Ltd
 Punjab and Maharashtra Co-Op. Bank Ltd

COMPANY SECRETARY

Ms. Nikita Bavishi

REGISTERED OFFICE

Rupam Building, 3rd Floor,
 239, P.D'mello Road,
 Near GPO, Mumbai – 400 001
 Tel No. 91-22-22616200/6300/8787
 Fax No. 91-22-2619090
 E-Mail: contactus@mangalamdrugs.com
 Investors E-mail Id: investor@mangalamdrugs.com
 Website: <http://www.mangalamdrugs.com>.

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited
 C-101, 247 Park, L.B.S. Marg,
 Vikhroli (West),
 Mumbai – 400083
 Tel No. 91-22-49182670

WORKS

VAPI – UNIT 1

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

VAPI – UNIT 2

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

AUDITORS

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

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NOTICE

NOTICE is hereby given that the Forty-Fourth Annual General Meeting of the Members of **Mangalam Drugs & Organics Limited** will be held on Tuesday, the 26th September, 2017 at 03.30 P.M at the Kilachand Conference Room, 2nd Floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai- 400020, Maharashtra to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at 31st March, 2017 including the Balance Sheet, the Statement of Profit and Loss for the year ended as on that date and the reports of the Board of Directors' and the Auditors' of the Company thereon.
2. To appoint a Director in place of Shri. Brijmohan Murlidhar Dhoot (DIN: 01046420) who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the recommendations of the Board of Directors, M/s Batliboi & Purohit, Chartered Accountants (Firm Registration No.101048W), be and are hereby appointed as the Statutory Auditors of the company in place of retiring auditors M/s Milwani Associates, Chartered Accountants, to hold the office from the conclusion of this 44th Annual General Meeting until the conclusion of the 49th Annual General Meeting, subject to ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) ("the Act") the Company hereby ratifies remuneration of Rs. 110,000/- (Rupees One Lac Ten Thousand only) plus GST, as applicable and reimbursement of out-of-pocket expenses payable to M/s. Ankit Kishor Chande, Cost Accountant who were appointed by the Board of Directors as Cost Auditors of the Company for the financial year 2017-18, 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."

FURTHER RESOLVED THAT the Board of Director of the Company be and is hereby authorized to do such acts, deeds and things as may be considered necessary to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder;.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

By order of the Board of Directors
For **Mangalam Drugs & Organics Ltd**

Nikita Bavishi
Company Secretary

Registered Office:

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

Place: Mumbai

Dated: 11th August, 2017

**NOTES:**

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

The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution / authority, as applicable.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item nos. 4 & 5 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 20th September 2017 to 26th September 2017 (both days inclusive) for the purpose of Annual General Meeting.
5. The Annual Report of the Company for the year 2016-2017 is also uploaded on the Company's website 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-101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400078 as Share Transfer Agents and the members are requested to send/address all their shares related matters/ correspondence directly to them.
9. **Change of Address /Bank details:** Members are requested to inform **M/s. Link Intime India Private Limited**, immediately of any change in their address / bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their Email Id, signature, address, bank details and mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agents of the Company viz. M/s. Link Intime India Private Limited.
10. As per Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities And Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agents of the Company viz. Link Intime India Private Limited.
11. Members/Proxies should bring the admission/attendance slip duly filled in for attending the meeting.
12. The Company has transferred unclaimed application money due for refund of public issue made in the year 2005 and unclaimed dividend for the financial year 2005-06 declared on 30th 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 44th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-Voting along with the Attendance Slip & Proxy Form and the Annual Report for 2016-2017 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of these documents are being sent in the permitted mode.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 44th AGM by electronic means and all the items of the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 19th September, 2017, may cast their vote by electronic means or in the AGM.
The information with respect to Voting process and other instructions regarding e-voting are detailed in Note No. 21.
The voting rights of the members shall be in proportion to the paid up value of their shares in the equity capital of the Company as on the cutoff date i.e. 19th September, 2017.
15. The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e voting.
16. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.



17. Mr. Manish Baldeva, Practicing Company Secretary has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith. The result declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www. mangalamdrugs.com](http://www.mangalamdrugs.com) and on the website of CDSL immediately after the result is declared by the Chairman and the same shall be simultaneously communicated to the BSE Limited and National Stock Exchange of India Limited.
19. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
20. Details of the Directors seeking appointment / re-appointment at the 44th Annual General Meeting required by Listing Regulations with the Stock exchanges is given below:

1.	Name	SHRI BRIJMOHAN M DHOOT (DIN: 01046420)
2.	Date of Birth	10 th July, 1951
3.	Educational Qualification	Commerce Background
4.	Date of appointment on the Board	02 nd May, 2015
5.	Category of Director	Non Executive Non Independent Director
6.	Experience	He has more than 40 years experience in the Chemical and Pharma Industry. He has vast knowledge and varied experience which is of great value to the company.
7.	List of other Directorships held	1. Raga organics private limited 2. Elarci (Estates & Construction) Development Services Private Limited
8.	Name of Committees in which Chairman	NIL
9.	Name of Committees in which Member	Nomination & Remuneration Committee and CSR Committee– Mangalam Drugs & Organics Limited
10.	Number of shares held in the Company.	564469 equity shares.
11.	Disclosure of Relationship	Shri. Brijmohan M Dhoot is brother of Shri. Govardhan M Dhoot of the Company
12.	No. of Board Meetings attended during the year	Nine

21. **INSTRUCTIONS FOR ELECTRONIC VOTING (E-VOTING)**

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, applicable Secretarial Standard and the Listing Regulation, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 44th Annual general Meeting of the Company. The Company has appointed Mr. Manish Baldeva, Practicing Company Secretary to act as scrutinizer for conduction scrutiny of the votes cast.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23rd September, 2017, 9.00 A.M and ends on 25th September, 2017, 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



(vii) If you are a first time user follow the steps given below..

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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 8 digits of the sequence number in the PAN field. In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the MANGALAM DRUGS & ORGANICS LIMITED.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(ivx) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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

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

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call on Tollfree No. 1800-200-5533.

By order of the Board of Directors
For Mangalam Drugs & Organics Ltd

Nikita Bavishi
Company Secretary

Registered Office:

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

Place: Mumbai

Dated: 11th August, 2017.



ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 102 (1) and 102(2) of the Companies Act, 2013.

Item No. 3

M/s Milwani Associates, Chartered Accountants, existing statutory auditors of the Company has completed more than 5 years and in compliance with the provisions of the Act, the Company has to appoint a new auditor in their place.

Considering the requirements of Section 139 (2) of the Companies Act, 2013, Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) is proposed to be appointed as auditors of the Company for a period of 5 years, commencing from the conclusion of 44th AGM till the conclusion of the 49th AGM, subject to ratification by members every year, as may be applicable.

Batliboi & Purohit, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the ordinary resolution set out at item No. 3 of the notice.

The Board commends this resolution for your approval.

Item No. 4

Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) ("the Act"), requires the Board to appoint an individual, who is a Cost Accountant in practice or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on 11th August, 2017, on recommendation of the Audit Committee, approved the appointment of M/s. Ankit Kishor Chande, Cost Accountant, as the Cost Auditor of the Company for the financial year 2017-18 at fees of 1,10,000/- plus out of pocket expenses and GST as applicable for conducting the audit of the cost accounting records of the Company.

The resolution contained in Item no. 4 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2017-18.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 4 of the Notice.

The Board commends this resolution for your approval.

Item No. 5

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly commend the Ordinary Resolution at item no. 5 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.5 of the accompanying Notice.

By order of the Board of Directors
For **Mangalam Drugs & Organics Ltd**

Nikita Bavishi
Company Secretary

Registered Office:

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

Place: Mumbai

Dated: 11th August, 2017



DIRECTORS' REPORT

To,
The Members of
Mangalam Drugs & Organics Ltd

The Directors have pleasure in presenting to you their Forty-Fourth Annual Report together with Company's Audited Financial Statement for the accounting year ended 31st March 2017.

FINANCIAL RESULT

(Rs. In Lacs)

Particulars	2016-2017	2015-2016
Revenue from operations	30288.56	29502.18
Other Income	25.63	19.73
Profit before Finance Expenses, Depreciation & Amortizations	4842.60	3772.08
Less: Depreciation & Amortizations	500.71	441.30
Finance Expenses	1003.65	929.18
Profit / (Loss) before tax	3338.24	2401.60
Provision for Current Tax	798.10	487.75
Provision for MAT Credit entitlement	-	(364.55)
Provision for Deferred Tax	170.45	675.09
Profit / (Loss) after tax	2369.69	1603.31
Balance b/f. from previous year	1347.28	(240.49)
Additional Depreciation on Fixed Assets	-	(15.54)
Balance carried to Balance Sheet	3716.97	1347.28

DIVIDEND

The company does not propose to declare any dividend this year, since it is under restructuring and as per the restructuring terms with the banks, no dividend can be declared by the Company.

STATE OF COMPANY AFFAIRS

During the year under review, the Company earned a total income of 30314.19 Lacs compared to Rs. 29521.91 Lacs in the previous year an increase of 2.68%. The company has made a profit after tax of Rs. 2369.69 Lacs as against Rs1603.31 Lacs an increase of 47.80 %. The Company has achieved the export turnover of Rs. 8504.18 Lacs as against Rs. 4916.54 an increase of 72.98%

FUTURE OUTLOOK

Although there is some favorable change in global recessionary pressure, the next fiscal year requires a diligent approach in order to maintain the impressive pace we have maintained in recent past. Your company has attracted attention from investors last year owing to its performance. Your company was virtually the only attractive investment destination in spite of being an exclusive API manufacturer in the disease segment of poorly addressed therapeutic needs in the developing world. Accentuating our commitment on this front, besides Antimalarial Segment, Your company has upgraded in record time its facilities at Unit-2 and has secured WHO Geneva GMP approval very recently as this report goes in print. We remain committed to continue with the smart regulatory strategy, the prudent partnering with stake holders and a diligent resource restructuring approach in the future.

DEPOSIT

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount on account of principal or interest on public deposits was outstanding as on date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

The Companies Act, 2013 has mandated the Company to have a formal framework of Internal Financial Controls (IFC) and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.



The Board reviews the effectiveness of controls documented as part of IFC framework, and take necessary corrective actions where weaknesses are identified as a result of such reviews. Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

The Statutory Auditors of the Company has audited the IFC over Financial Reporting and their Audit Report is annexed as Annexure B to the Independent Auditors' Report under Standalone Financial Statements.

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

A statement containing the necessary information on Conservation of Energy, Technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014 is annexed to report as Annexure A

PARTICULARS OF EMPLOYEE

There are Nil employees drawing remuneration of Rs.8,50,000 (Rupees Eight lacs fifty thousand) per month or Rs.1,02,00,000/- (Rupees One crore two lacs) and above per annum during the Year under review. The details of the remuneration drawn by the Managing Director, Whole Time Director and Independent Directors are stated in the Corporate Governance Report. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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

Name of the Director/KMP	Ratio to Median Remuneration
Shri. Govardhan Murlidhar Dhoot	8.91
Shri. Subhash Khattar	0.19
Smt. Anuradha Sukhani	0.08
Shri. Brijmohan Murlidhar Dhoot	0.12

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

Name of the Director/KMP	Designation	% increase in remuneration in the financial year
Shri. Govardhan Murlidhar Dhoot	Chairman & Managing Director	47.68 %
Shri. Subhash Khattar*	Independent Director	4.76 %
Shri. Brijmohan M Dhoot*#	Non- Executive Director	Nil
Smt. Anuradha Sukhani*@	Independent Director	Nil
Shri. Ajay Samant	Chief Financial Officer	27.70 %
Ms. Nikita Bavishi#	Company Secretary	Nil

* Entitled for Sitting fees of Rs. 2000 for attending each Board and Committee Meetings.

@ She has been appointed in 2016-17, hence % increase cannot be calculated.

Not comparable as Shri. Brijmohan Dhoot- Non Executive Director and Ms. Nikita Bavishi- Company Secretary were director and Company Secretary respectively, only for the part of the year i.e appointed during the year 2015-16.

Smt Meenal Sukhani had resigned as an Independent Director w.e.f 16th May, 2016 and hence % increase has not been calculated. She was paid Sitting Fees of Rs. 10,000 during the year.

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

Median remuneration is decreased by 3.70%.

d. The number of permanent employees on the rolls of Company: 302

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

Average annual increase was around 21.31%.

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



The increase in managerial remuneration is 47.68%. The rise in case of Managerial Remuneration should be viewed considering the fact that the remuneration paid to him was increased in the previous year which was approved in the 43rd AGM by the members with a view that remuneration paid to him as a Managing Director was comparatively very low in the previous years. Also the Company continues to grow both in size and stature as is evident from the enhanced performance levels under the leadership of Shri Govardhan M Dhoot.

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

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

a) Directors

The Board of Directors of the Company is led by the Executive Chairman and comprises of three other Directors as on 31st March, 2017, including two Independent Directors which includes one Woman Director as required under Section 149 (1) of the Companies Act, 2013 and one Non-Executive Director (other than Independent Directors). The composition of the Board is in conformity with the provisions of the Act and Regulation 17 of the Listing Regulations entered into with the Stock Exchanges.

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

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

The Board of Directors, on recommendation of the Nomination and Remuneration Committee, appointed Ms. Anuradha Sukhani as an Additional Director in the category of Independent Director w.e.f. May 16, 2016 who held the office till the Annual General Meeting ("AGM") and thereafter was appointed by the members at the 43rd AGM as an independent director for a period of 5 years w.e.f. 16th May, 2016.

At the 43rd Annual General Meeting of the Company held on 30th September, 2016, the members approved the re-appointment of Shri Govardhan M Dhoot (DIN 01240086) who had retired by rotation.

Shri Brijmohan M Dhoot (DIN 01046420) Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The brief resume and other relevant documents of the director are being given in the notes of Notice convening the Annual General Meeting for your perusal.

b) Meetings of Board of Directors

During the year, 9 meetings of the Board of Directors were convened and held on 29th April 2016, 16th May 2016, 10th June 2016, 1st August 2016, 14th October 2016, 10th November 2016, 19th January 2017, 06th February, 2017 and 31st March 2017. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. Detailed information on the meetings of the Board is included in the Corporate Governance Report which forms part of the Annual Report.

c) Committees of the Board

In Compliance with the requirements of applicable laws and as a part of best governance practices, the company has following 4 (Four) Committees of the Board as on 31st March, 2017:

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

During the financial year ended 31st March 2017, the Board re-constituted the Audit Committee and Nomination and Remuneration Committee in accordance with the Act and the Listing Regulations.

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

(d) Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board had carried out the performance evaluation of its own, Committees and of Independent Directors. Further Independent Directors at their separate meeting evaluated the performance of the Non Independent Directors, Board as a whole and of the Chairman of the Board. The result of the evaluation is satisfactory and meets the requirement of the Company.

(e) Familiarization Programme

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

The Independent Directors also met with senior management team of the Company in informal gatherings.



(f) Key Managerial Personnel

There was no change in the Key Managerial Personnel during the year under review.

REMUNERATION POLICY

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

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

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

VIGIAL MACHANISM

The Company has a Whistleblower Policy to report genuine concerns and grievances. The Policy provides for adequate safeguarding to the person who avail the mechanism. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee.

The details of the Whistleblower Policy is explained in the Report of Corporate Governance and is also available on the Company’s corporate website <http://www.mangalamdrugs.com/images/pdf/whistle-blower-policy.pdf>

AUDIT COMMITTEE

The Audit Committee as on March 31, 2017 comprises of the following Directors:

Shri. Subhash C Khattar - Chairman, Ms. Anuradha Sukani- Independent Director and Shri. Govardhan M Dhoot- Managing Director. All the recommendations made by the Audit Committee were accepted by the Board. Detailed Information of the Audit Committee may be reviewed in Report on Corporate Governance annexed as Annexure B of the Report.

PREVANTION OF SEXUAL HARASSMENT

At MANGALAM, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age. every individual is expected to treat his/her colleagues with respect and dignity.

The Company has in place `Prevention of Sexual Harassment Policy`. This Anti-Sexual Harassment Policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee (ICC) also is in place to redress complaints received regarding sexual harassment.

During the year 2016-2017, NIL complaints were received by the Company related to sexual harassment.

CORPORATE SOCIAL RESPONSIBILITY

The Company believes in the well being of the society at large .The Company has in place a CSR Committee and CSR policy in line with the provisions of the Companies Act, 2013.

The Composition of the CSR Committee is as under:

Name of the Director	Category of Directorship
Shri Subhash C Khattar, Chairperson	Independent Director
Shri Govardhan M Dhoot, member	Managing Director
Shri Brijmohan M Dhoot, member	Non Executive Director

Our main objective under CSR policy is to actively contribute to the social and economic development of the communities in which we operate. The CSR policy of the Company is available on the website of the Company. The disclosures required to be made in the Board’s Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as Annexure-C.

During the financial year 2016-17 an amount of Rs. 17.41 Lacs was required to be spent by MANGALAM on implementation of the CSR Policy to the extent laid down in sub-section (5) of section 135 of the Companies Act 2013. As against this, the actual expenditure works out to Rs. 15.65 Lacs i.e. the total amount falls short of the said extent by Rs. 1.76 Lacs. The main reason for deficit in meeting the extent of CSR expenditure is that:

The CSR Committee had series of meetings and detailed discussions with number of Trust/NGO Partners to actively support and channelize the activities/programs to be undertaken by the Company in line with CSR Objectives, hence after due diligence the Company through the trust had spent majority of the CSR Amount. But due to paucity of time and lack of good opportunities, the CSR Committee resolved to carry forward the balance amount in the next financial year. There are reasons to believe that as greater experience is gained in the near future, the level of expenditure will reach the required statutory threshold.

The annual report on CSR activities is furnished in `Annexure C` which forms part of this report.



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

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THE REPORT

There have been no material changes/ events affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of this report.

EXPLANATIONS OR COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors appointed under Section 139 of the Companies Act, 2013 in their report. Hence the need for explanations or comments by the Board does not arise. The report of the Statutory Auditors forms part of the financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that, such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format Form No. MGT-9 forms a part of this report as Annexure E.

AUDITORS AND AUDITORS' REPORT

i. Statutory Auditors

M/s Milwani Associates, Chartered Accountants, existing statutory auditors of the Company has completed more than 5 years and in compliance with the provisions of the Act, the Company has to appoint a new auditor in their place. Considering the requirements of Section 139 (2) of the Companies Act, 2013, Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) is proposed to be appointed as auditors of the Company for a period of 5 years, commencing from the conclusion of 44th AGM till the conclusion of the 49th AGM, subject to ratification by members every year, as may be applicable. Batliboi & Purohit, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

ii. Cost Auditors

As per Section 148 of the Companies Act, 2013 read with Rules framed thereunder, M/s Ankit Kishor Chande, Cost Accountants, (Membership No. 34051) were re-appointed as Cost Auditors for the financial year 2016-17 and 2017-18 to conduct cost audit of the accounts maintained by the Company in respect of the Bulk Drugs as prescribed under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.



iii. Secretarial Auditors

The Board, pursuant to section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof, had during the year, appointed Shri. Ankit Sethi., Practising Company Secretary, to conduct secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is attached herewith marked as Annexure F to this report.

CORPORATE GOVERNANCE

Corporate Governance refers to a set of systems, procedures and practices which ensure that the company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance includes transparency, accountability and independence.

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. There are no materially significant Related Party Transactions entered into by the Company with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large .

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

AKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

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

Place: Mumbai
Dated: 11th August, 2017



ANNEXURE A TO DIRECTORS' REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 for the year ended 31st March 2017:

1. CONSERVATION OF ENERGY

a) Steps taken for conservation of energy and the impact of such steps:

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

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

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

c) Capital investment on energy conservation equipment

Nil.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Major efforts made towards technology absorption

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

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

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

c) Details of imported Technology

No technology has been imported.

d) Future plan of action

- i. Development of frontline anti malarial and antiretroviral 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 anti malarial candidate compounds by Anagrammatic approach for screening against resistant malarial parasite strains.
- iv. Upgrade unit 2 to meet stringent regulatory standards.

e) Expenditure on R&D

With global village as a whole on the recovery curve, our thrust continues to remain innovation driven an environment friendly corporate citizen. The Research and Development comprises of 30 skilled scientists who harbor a unique and synergistic blend of scholarship with bench-skills. It has developed several synthesis options to reduce product processing time cycles and effluent load for existing as well as newer molecules. During the year under review, the company has expanded its anti-retroviral (AIDS) API portfolio which has an established market demand. **The continued CSIR recognition to the R&D and presentation of unique/ speciality chemicals on its website have already placed our research activity on the national and international map. This has resulted in the collaboration requests from reputed multinational companies.** We have proudly delivered impurity standards of complex structural diversity to several companies, the compounds which had not been synthesized elsewhere globally. The Stringent Regulatory Agency like WHO-Geneva considers us as a reliable contributor to their interventions in public health upgradation. We plan to publish significant scientific findings in journals of high impact factor which we believe shall help boost our image amongst research driven organizations.

(Rs.In Lacs)

Particulars	Current year	Previous year
Capital	190.84	34.30
Recurring	135.88	128.19
Total	326.72	162.49

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services, and export plans: The Company is continuously exploring avenues to increase exports to various countries.
- b) Total foreign exchange used and earned

(Rs. In Lacs)

Particulars	Current year	Previous year
Foreign Exchange Earned		
Export of goods on CIF basis (including deemed exports)	8504.18	4916.54
Foreign Exchange Outgo		
(i) Raw material	15623.99	17076.02
(ii) Commission	6.93	60.44
(iii) Travelling Expenses	39.31	13.82
Total Foreign exchange outflow	15670.23	17150.28

For and on behalf of the Board of Directors

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

Place: Mumbai
Dated: 11th August, 2017



ANNEXURE B TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has complied with all the Corporate Governance requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015- "Listing Regulations". The Company is committed to the consistent adherence to the said corporate governance code to maintain a greater degree of responsibility and accountability. We believe that for sustained growth and for enhancing shareholder value, sound Corporate Governance is a must. Corporate governance is focused on maximizing shareholder value while ensuring fairness to all the stakeholders - customers, employees, vendor-partners, the government of the land, and society at large. The Company's Corporate Governance philosophy has been further strengthened through the Company's Code of Conduct for Prevention of Insider Trading and its Whistle Blower Policy. Corporate Governance is not an end, it is just a beginning towards growth of company for a long term prosperity.

2. BOARD OF DIRECTORS:

The Board of Directors of the Company had a balanced mix of Composition of the Board and also met the stipulated requirements. The Board of Directors comprises of four Directors as on 31st March, 2017 of which 1 is Executive Director, 2 are Non-Executive and Independent Directors (including 1 Woman Director) and 1 Non Executive Non Independent Director. The Board provides strategic guidance to the company and ensures effective monitoring of the management and corporate governance practices.

Board meeting dates are finalized in consultation with all the directors. During the financial year, the Board met nine times on 29th April 2016, 16th May 2016, 10th June 2016, 1st August 2016, 14th October 2016, 10th November 2016, 19th January 2017, 06th February 2017 and 31st March 2017. Time elapsed between any two consecutive meetings never exceeded 120 days. The following table gives details of directorship, category, attendance at board meetings and attendance at the last Annual General Meeting and number of membership of Board / Committees of various other companies during the year ended 31st March, 2017:

Name of Director(s)	Category of Directorship	No. of other directorship held #	No. of Committee membership in other companies #	No of Board meetings held During the tenure	No. of Board Meetings attended	Attend-ance at last AGM
Shri. Govardhan M. Dhoot	Chairman & Executive	0	0	9	9	Yes
Shri. Subhash C. Khattar	Non-Executive & Independent	0	0	9	9	Yes
Shri. Brijmohan M Dhoot	Non Executive & Non-Independent	0	0	9	9	Yes
Smt. Anuradha Sukhani**	Non Executive & Independent	0	0	7	4	No

*Smt. Anuradha Sukhani was appointed on 16th May, 2016 as an Additional Director-Non- Executive thereafter she filed the declaration of her independence to the Board and On 30th September, 2016 she was appointed as an Independent Director by the Members.

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

Except Shri. Govardhan M Dhoot and Shri. Brijmohan M Dhoot, who are related to each other as brothers, none of the other Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013.

Shri Brijmohan M Dhoot is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. Relevant details pertaining to Shri Brijmohan M Dhoot are provided in the notice of AGM.

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

Independent Directors Meeting

During the financial year, both IDs of the Company met on 6th February 2017 under the chairmanship of Shri Subhash C Khattar without the presence of Non-Independent Directors or Management personnel to review the performance of Non-Independent Directors, the Board and its Chairperson. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board.

The terms and conditions of appointment of Independent Directors have been placed on the website of the Company www.mangalamdrugs.com. None of the Independent Directors have any material pecuniary relationship or transaction with the Company.

The details of Familiarization Programme imparted to Independent Director have been put on website of the company www.mangalamdrugs.com

Code of Conduct:

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

**3. AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted pursuant to the provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

During the year under review, five Audit Committee meetings were held on 29th April 2016, 16th May 2016, 1st August 2016, 10th November 2016 and 06th February 2017. Time elapsed between two meetings never exceeded 120 days.

The composition of the Committee as well as the particulars of attendance at the committee meetings during the year and other related details are given in the table below:

Name of Director	Category	Profession	No. of meetings held during the tenure	No. of meetings Attended
Shri. Subhash C. Khattar- Chairman	Non-Executive & Independent	Chartered Accountant	5	5
Shri. Govardhan M. Dhoot	Executive	Industrialist	5	5
Smt. Meenal Sukhani *	Non-Executive & Independent	Professor	2	2
Smt. Anuradha Sukhani**	Non-Executive & Independent	Business	3	3

* Smt. Meenal Sukhani, Non Executive & Independent Director, resigned from the Board/Committee of the Company w.e.f the closure of business hours on 16th May, 2016.

** Smt. Anuradha Sukhani, Non Executive & Independent Director was appointed as a Member of the Committee w.e.f 16th May, 2016.

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

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

The role and terms of reference of the Audit Committee include review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the internal Auditors and Statutory Auditors, review of financial statements both quarterly and annually before submission to the Board, review of management discussion and analysis of financial conditions, evaluation of internal financial controls, reviewing functioning of whistle blower mechanism and other matters specified under in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

4. STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholder Relationship Committee performs various functions conferred under the listing Regulations and section 178 of the Act, which mainly considers and overseas resolution of grievances of security holders and investors of the Company.

The constitution of Stakeholder Relationship Committee is given below:

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

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

Ms. Nikita Bavishi, is designated as the Compliance Officer by the company and acts as secretary of the committee.

The Equity shares of the Company to the extent of 99.99% are held in dematerialized form & the handling of physical transfer of shares are very minimal. No transfer of equity shares is pending as on 31st March, 2017.

Investor Grievances:

Nature of complaints received from shareholders during the year 2016-17 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

The terms of reference of the Committee are as follows:

To approve share transfers, transmissions, issue of duplicate share certificates, to review and advise the Company on any grievance in relation to (a) Non-transfer of shares (b) Non-receipt of Annual Report, Dividend (c) any other grievance raised by any stakeholder. During the financial year 2016-17, there were no pending investor complaints against the Company.



5. NOMINATION AND REMUNERATION COMMITTEE

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

The Composition of the Committee during the year ended on 31 March, 2017 is as follows:

Name of Director	Category	No. of Meetings Held	No. of meetings Attended
Shri. Subhash C. Khattar	Non-Executive & Independent	2	2
Smt. Meenal Sukhani*	Non-Executive & Independent	1	1
Shri. Brijmohan M Dhoot	Non-Executive & Non Independent	2	2
Smt. Anuradha Sukhani	Non-Executive & Independent	1	1

* Smt. Meenal Sukhani, Non Executive & Independent Director, resigned from the Board/Committee of the Company w.e.f the closure of business hours on 16th May, 2016.

** Smt. Anuradha Sukhani was appointed as an Independent director to the Committee on 16th May 2016.

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

Ms. Nikita Bavishi, Company Secretary provided Secretarial support to the Committee.

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

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

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Regulation 19 of the Listing Regulations and section 178 of the Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

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

Performance Evaluation

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

Remuneration Policy

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

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee, inter alia, to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on social activities and to monitor the CSR Policy. The committee oversees the implementation and execution of CSR Policy and provides guidance on various CSR activities to be undertaken by the Company.

Based on the recommendations of the CSR Committee, the company has laid down the CSR Policy, which is displayed on the website of the Company. It can be accessed from the link: <http://www.mangalamdrugs.com/images/pdf/corporate-social-responsibility-policy.pdf>



The composition of the Committee during the year ended 31st March, 2017 and other related details are given in the table below:

Name of Director	Category	No. of meetings held during the tenure	No. of meetings attended
Shri. Subhash C. Khattar	Non-Executive Independent	3	3
Shri. Govardhan M. Dhoot	Executive	3	3
Shri. Brijmohan M Dhoot	Non-Executive Non Independent	3	3

The Company Secretary acts as the secretary of the Committee.

7. REMUNERATION OF DIRECTORS:

Executive Directors

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

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

Name of Director	Salary (Rs.)(p.a.)	Service Contracts	Notice Period
Shri. Govardhan M Dhoot	Rs. 20,08,404	5 years starting from 01 st November, 2014	The contract may be terminated by giving the other party 3 months notice

Non-Executive Directors

In terms of Listing Regulations, the Company has linked the remuneration to be paid to the Non-Executive Directors to their attendance at the meetings of the Board or Committees. The Non-executive / Independent directors are paid only sitting fees of Rs. 2000/- for per Board/ Committee meetings. The Board has the flexibility to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

No other payments are made to the Non-Executive Directors during the Financial Year 2016-17. 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
Shri. Subhash C. Khattar	Rs. 44000	Nil
Shri. Brijmohan M Dhoot	Rs. 28000	564469*
Smt. Meenal Sukhani**	Rs.10000	Nil
Smt. Anuradha Sukhani	Rs. 18000	Nil

* Including Shares held as Karta of HUF

** Smt Meenal Sukhani has resigned from the Board of the Company w.e.f the closure of business hours on 16th May, 2016.

8. FAMILIARISATION PROGRAMME FOR DIRECTORS

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

9. GENERAL BODY MEETINGS:

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

AGM	Date	Day	Time	Venue	No. of Special Resolutions passed
41 st AGM	29-09-2014	Monday	11.00a.m.	Rupam Building, 3rd Floor, 239, P. D'Mello Road, Near G.P.O, Mumbai – 400001	Two
42 nd AGM	03-09-2015	Thursday	11.30 a.m	M.C. GHIA HALL, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Bldg., 4th Flr., 18/20 K.Dubash Marg, Kala Ghoda, Mumbai – 400 001	Three
43 rd AGM	30-09-2016	Friday	04.00 pm	Kilachand Conference Room, 2 nd Floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai-400020	One

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



Details of unclaimed shares as per Listing Regulations:

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

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding Shares lying in the suspense account at the beginning of the year i.e. as on April 1, 2016.	13	3337
Number of shareholders who approached to the Issuer, Registrar for transfer of shares from suspense account during the Financial Year 2016-17	-	-
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2016-17	-	-
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, 2017.	13	3337

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

10. DISCLOSURES

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

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

b. Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI / Statutory Authorities on any matter related to capital markets during the last three years :- None.

c. Disclosure by Senior Management Personnel:

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

d. CEO/CFO Certification:

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

e. Reconciliation of Share Capital Audit:

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company’s share capital is being carried out by a Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (collectively Depositories) and held in physical form, with the total issued and listed capital. The Auditor’s Certificate confirming the same is submitted to BSE Limited and the National Stock Exchange of India Limited on a quarterly basis and is also placed before the Board of Directors.

f. Whistle Blower Policy:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations, the Company has adopted a Whistle Blower Policy to provide a mechanism to its Directors, Employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of its Code of Conduct. The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment. During the financial year 2016-17, no employee was denied access to the Audit Committee. The Company has uploaded the Whistle Blower Policy on its website, accessible at the weblink: <http://www.mangalamdrugs.com/images/pdf/whistle-blower-policy.pdf>

g. Policy on Protection of Women against Sexual Harassment at Workplace:

The Company believes in providing a safe and harassment free work place to all its employees. The Endeavour of the Company is to create and provide a safe environment for the women employees, so that they can pursue their career without any fear of prejudice, gender bias and sexual harassment and / or any such orientation in implicit or explicit form. For this, the Company has in place ‘Policy of Protection of Women against Sexual Harassment at Work place’ and a “Compliant Redressal Committees” . During the financial year 2016-17, the Company received no such complaint of sexual harassment.



h. Mandatory & Non Mandatory Clauses:

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

11. MEANS OF COMMUNICATION:

During the year, the quarterly results of the Company were submitted to the Stock Exchanges soon after the Board Meeting approved these and were published in Free Press Journal (English Newspaper), Navashakti (Marathi Newspaper) and The Business Standards (English Newspaper – All Metro Cities). The Company’s financial results and official news releases are also displayed on the Company’s Website www.mangalamdrugs.com. All presentations made by the company to institutional investors or to the analysts were also made available on the Company’s Website for a reasonable period of time. The Company plans to send the soft copies of Annual Report 2016-17 to those shareholders whose e-mail IDs are registered with the Depository Participants and/or with the Company’s Registrar and Share Transfer Agents, unless opted by them to get the physical copy, to support the “Green Initiative in Corporate Governance,” of the Ministry of Corporate Affairs. The Company has designated the email id investors@mangalamdrugs.com exclusively for investor servicing, and the same is prominently displayed on the Company’s website.

12. GENERAL SHAREHOLDER INFORMATION:

(a) 44th Annual General Meeting – Day, Date, Time and Venue:

Day	Date	Time	Venue
Tuesday	26 th September, 2017	03.30 PM	KALICHAND CONFERENCE ROOM 2 nd Floor, Indian Merchants Chamber Building, IMC Marg, Churchgate, Mumbai - 400020

(b) Tentative Financial Calendar for the year 2017-18

Financial Year	1 st April to 31 st March
Adoption of Quarterly Results for the quarter ending: June, 2017 September, 2017 December, 2017 March, 2018	1 st / 2 nd week of August, 2017 1 st / 2 nd week of November 2017 1 st / 2 nd week of February 2018 Last week of May, 2018
Dates of Book Closure (Both days inclusive):	20 th September, 2017 to 26 th September, 2017 (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 for the year 2017-18 to each of the said exchanges.

(d) Market Price Data:

The closing market Price of equity share on 31st March, 2017 (last trading day of the year) was Rs 144.25 on BSE and Rs. 145 on NSE.

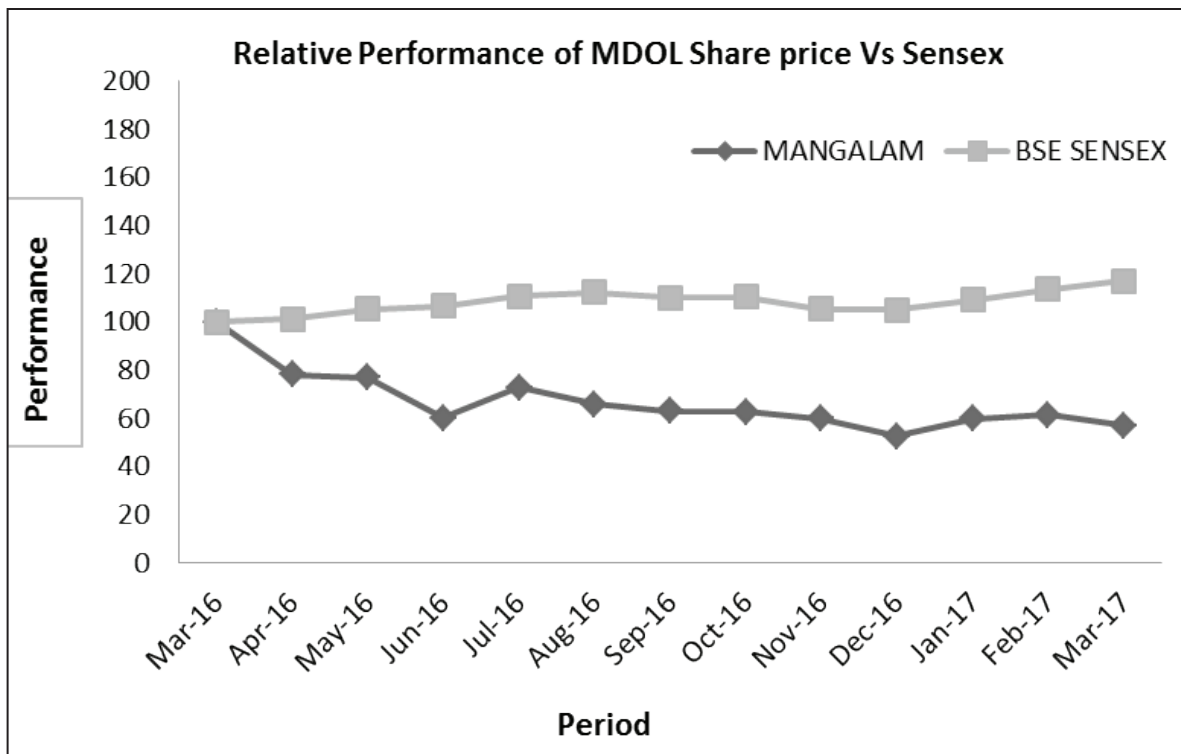
The monthly movement of Equity Share prices during the year at BSE & NSE is summarized below:

Monthly Share price Movement during the financial year ended 31st March, 2017 at BSE & NSE

Month	BSE Ltd			National Stock Exchange Ltd		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-16	256.40	183.00	3,78,193	256.60	184.00	8,77,025
May-16	239.90	163.30	9,64,997	239.70	161.95	23,92,539
Jun-16	204.05	137.00	11,42,754	203.35	134.00	29,29,431
Jul-16	194.00	146.75	9,32,641	194.70	145.00	26,27,259
Aug-16	192.45	158.25	13,15,144	193.00	158.35	35,00,413
Sep-16	180.70	142.70	9,19,293	179.80	135.00	18,86,378
Oct-16	176.00	155.10	5,63,937	177.80	154.50	16,24,311
Nov-16	171.05	122.90	7,69,001	171.00	122.60	22,55,298
Dec-16	153.70	126.00	2,34,533	152.75	126.75	6,62,911
Jan-17	169.30	136.40	6,79,659	168.85	133.5	24,76,906
Feb-17	168.15	147.70	3,99,001	168.45	140.00	15,41,622
Mar-17	157.40	142.40	3,82,190	157.65	143.05	14,24,016

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

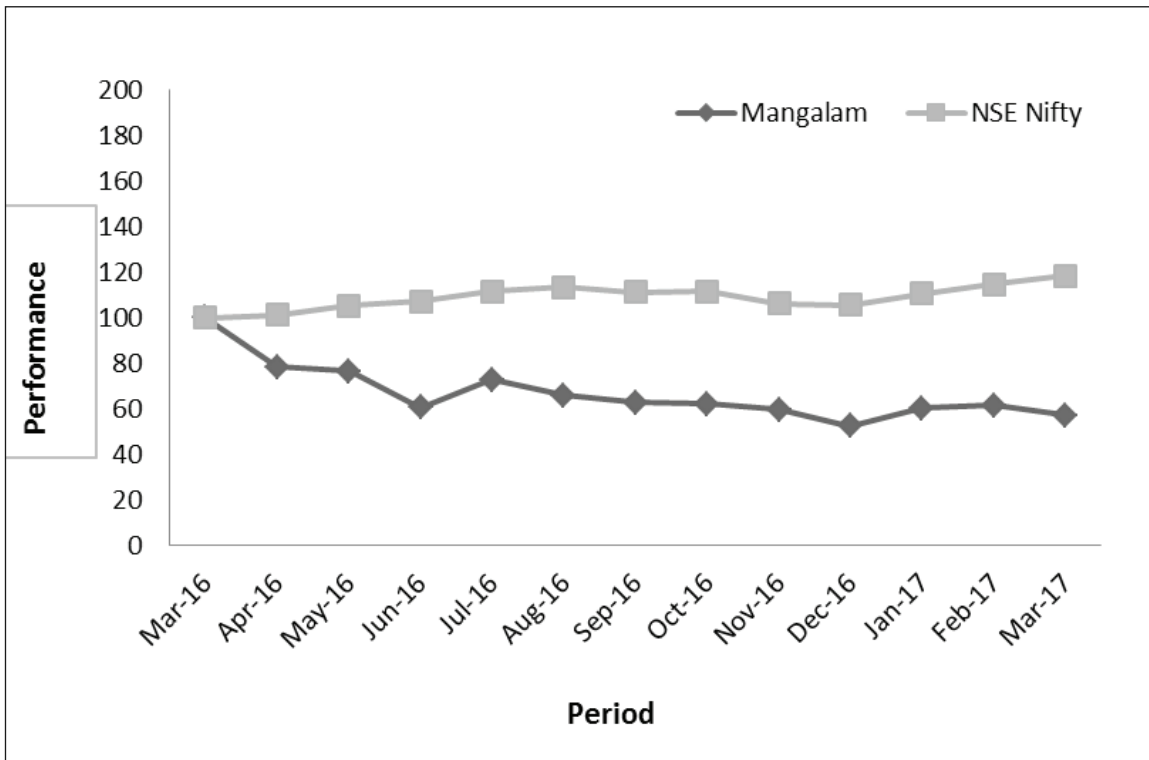
Month	MDOL Share Price at BSE*	BSE Index*	Relative Index for Comparison purpose	
			MDOL Share Price Index	Sensex
Mar-16	253.70	25,341.86	100	100
Apr-16	197.90	25,606.62	78.01	101.04
May-16	194.35	26,667.96	76.82	105.23
Jun-16	152.70	26,999.72	60.19	106.54
Jul-16	184.15	28,051.86	72.59	110.69
Aug-16	166.95	28,452.17	65.81	112.27
Sep-16	159.45	27,865.96	62.85	109.96
Oct-16	158.70	27,930.21	62.55	110.21
Nov-16	151.65	26,652.81	59.78	105.17
Dec-16	133.05	26,626.46	52.44	105.07
Jan-17	152.00	27,655.96	59.91	109.13
Feb-17	155.40	28,743.32	61.25	113.42
Mar-17	144.25	29,620.50	56.86	116.88





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

Month	MDOL Share Price at NSE*	NSE Index*	Relative Index for Comparison purpose	
			MDOL Share Price Index	Nifty
Mar-16	253.30	7738.40	100	100
Apr-16	198.75	7849.80	78.46	101.44
May-16	193.70	8160.10	76.47	105.45
Jun-16	153.55	8287.75	60.62	107.10
Jul-16	184.35	8638.50	72.78	111.63
Aug-16	166.90	8786.2	65.89	113.54
Sep-16	159.20	8611.15	62.85	111.28
Oct-16	157.50	8625.7	62.18	111.47
Nov-16	151.00	8224.5	59.61	106.28
Dec-16	133.10	8185.8	52.54	105.78
Jan-17	152.75	8561.3	60.30	110.63
Feb-17	154.70	8879.6	61.07	114.74
Mar-17	145.00	9173.75	57.24	118.54



(e) Registrar & Transfer Agents:

M/s. Link Intime India Private Limited

C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400 083

Telephone No. 022 – 49186000 Fax No.022 – 49186060



(f) Dematerialisation of Securities:

The equity shares of the Company are permitted for trading in dematerialization form only. The Company's shares are available for trading in the depository systems of both NSDL and CDSL. Security Code No. with NSDL and CDSL is - ISIN No. INE584F01014. Approximately 99.99% of the shares have been dematerialized as on 31st March, 2017. Shares held by Promoters are all in the dematerialized form.

(g) Share Transfer System:

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

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

The Company does not have any outstanding instruments of the captioned type as on the 31st March, 2017.

(i) Shareholding Pattern as on 31st March, 2017:

SN	Category	No. of Shares held	%
A.	Promoters and Promoter Group		
1	Individual / Hindu Undivided Family	3046348	19.25
2	Bodies Corporate	4988389	31.52
	Total	8034737	50.76
B.	Non- Promoters Holding		
1	Institutional Investors (Financial Institutions/Banks)	30541	0.193
	Total	30541	0.193
2	Individuals	6442517	40.70
3	Others		
	a. Foreign Nationals	2000	0.01
	b. HUF	243879	1.54
	c. Individuals		
	d. Bodies Corporate	586732	3.70
	e. NRIs / NRNs	285511	1.80
	f. Clearing Members	202331	1.28
	Total	1320453	8.34
	Sub-Total (1+2+3)	7793511	49.24
	GRAND TOTAL (A) + (B)	15828248	100.00

Distribution of Shareholding as on 31st March 2017:

No. of Shares			No. of Shareholders		No. of Shares	
From	-	To	Number	%	Number	% to total capital
1	-	500	13190	84.9324	1879383	11.8736
501	-	1000	1124	7.2376	902770	5.7035
1001	-	2000	588	3.7862	882074	5.5728
2001	-	3000	215	1.3844	538418	3.4016
3001	-	4000	104	0.6697	374941	2.3688
4001	-	5000	78	0.5023	358437	2.2645
5001	-	10000	125	0.8049	898849	5.6788
		10001 and above	106	0.6825	9993376	63.1363
TOTAL			15530	100.00	15828248	100.00



(j) Registered Office:

Mangalam Drugs & Organics Ltd

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

(k) Plant locations :

Unit No. 1

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

Unit No. 2

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

(l) Investor Services:

Email ID: investor@mangalamdrugs.com

(m) Address for Correspondence:

The shareholders are requested to address their communications/ suggestions/ grievances/ queries to our Share Transfer Agents:
M/s. Link Intime India Private Limited
C-101,247 Park, L.B.S.Marg, Vikhroli (West),Mumbai – 400083
Tel No: +91 22 49186000 Fax: +91 22 49186060

For and on behalf of the Board of Directors

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

Place: Mumbai
Dated: 11th August, 2017



ANNEXURE C TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	To actively contribute to the social and economic development of the communities and build a better sustainable way of life for the weaker sections of society, through our meaningful engagement in the areas of Education, Health Care, Sustainable Livelihood, Infrastructure Development and Social Change. The Company's CSR policy can be accessed on the Company's website: http://www.mangalamdrugs.com/images/pdf/corporate-social-responsibility-policy.pdf		
2.	The composition of CSR Committee			
	NAME OF DIRECTORS	CATEGORY	POSITION IN COMMITTEE	
	Shri Subhash C Khattar	Non Executive Independent	Chairman	
	Shri Govardhan M Dhoot	Executive	Member	
	Shri Brijmohan M Dhoot	Non Executive Non Independent	Member	
3.	Average financial years Net Profits of the Company for last three	870.62 Lacs		
4.	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	17.41 Lacs		

5. Manner in which amount has been spent on CSR activities in the Financial Year 2016-17 Given below :-							
SR NO	CSR Project or Activity Identified	Sector in which Project is covered	Projects of Programs 1.Local area or other 2.Specify the state and district where project/programs were undertaken	Amount Outlay (Budget)	Amount spent on the projects or programs	Cumulative expenditure upto to the reporting period	Amount spent Directly or through implementing agency
1	Healthcare project	Healthcare under Item No.(i)	Vapi, Gujarat	12,65,250	12,65,250	12,65,250	Through implimenting agency. Rotary Charitable Trust, Vapi.
2	Educational Programme	Education under Item No.(ii)	Maharashtra	3,00,000	3,00,000	3,00,000	Through implimenting agency. The Akansha Foundation
Total				15,65,250	15,65,250	15,65,250	

6. Reasons for not spending the two per cent of the average net profit of the last three financial years or any part thereof:

CSR Committee had series of meetings and detailed discussions with number of Trust/NGO Partners to actively support and channelize the activities/programs to be undertaken by the Company in line with CSR Objectives, hence after due diligence the Company through the trust had spent majority of the CSR Amount. But due to paucity of time and lack of good opportunities, the CSR Committee resolved to carry forward the balance amount in the next financial year. There are reasons to believe that as greater experience is gained in the near future, the level of expenditure will reach the required statutory threshold

The Company is endeavored to ensure full utilization of allocated CSR budget. Therefore the amount which remained unspent due to above mentioned circumstances shall be added to CSR Budget for Financial Year 2017-18.

7. A responsibility Statement of CSR Committee of the Board of Directors of the Company:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the

For Mangalam Drugs & Organics Ltd

Govardhan M Dhoot

Managing Director
DIN: 01240086

Dated: 11th August, 2017
Place: Mumbai

CSR Committee of Mangalam Drugs & Organics Ltd

Subhash C Khattar

Director
DIN: 01122941
(Chairman of CSR Committee)

**ANNEXURE D TO DIRECTORS REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT.****COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE;**

At Mangalam Drugs & Organics Limited Corporate Governance has been high priority both in letter and in spirit Company believes that Corporate Governance strengthens the investor trust and ensures long term partnership that helps in company's objectives. The company's philosophy on corporate governance lays strong emphasis on transparency, accountability and integrity. Board of directors of the company always believes in the principles of good corporate governance. The board also believes in maintaining highest level of transparency, accountability and financial control in all its Business operations and practices and in enhancing overall long term shareholder value and at the same time protecting the interest of All other Stakeholders.

OUTLOOK;

The outlook for the pharmaceuticals industry remains positive. The pharma industry growth will be driven mainly by population growth, ageing population and increased healthcare spending in pharma emerging countries. India is also fast emerging as a preferred pharmaceuticals manufacturing location. Although there is some favorable change in global recessionary pressure, the next fiscal year requires a diligent approach in order to maintain the impressive pace we have maintained in recent past.

INDUSTRIAL STRUCTURE & DEVELOPMENT;

The Indian Pharma industry today is one of the fastest growing industry in the world. The Indian companies with strict adherence to GMP & those with regulatory approvals are the favored outsourcing partners for generic companies in regulated market. In several respects, pharmaceutical industry never had it so good. Demand for its products is escalating and trade is getting easier with the result, well-organized companies have been growing sustainably. Aging populations, chronic/ lifestyle diseases, emerging-market expansion, and treatment and technology advances are expected to spur the global pharmaceutical industry.

OPPORTUNITIES;

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

THREAT, RISKS AND CONCERNS;

The pharmaceutical industry is highly competitive and the challenges are from both the Indian manufacturers who have similar production facilities as well as those abroad. Human resources with similar skills, talents and experiences in the industry are mobile between competing companies, sentiments driven fluctuations in the currency could also impact product.

STATE OF AFFAIRS OF THE COMPANY;

The company has posted remarkable performance during the year under review. The company has earned total income of Rs 30314.19 Lacs compared to Rs 29521.91 Lacs in the previous year an increase of 2.68%. The company has made a profit after tax of Rs. 2369.69 Lacs as against Rs 1603.31 an increase of Rs 47.80%. The Company has achieved the export turnover of Rs. 8504.18 Lacs as against Rs. 4916.54 an increase of 72.98% .

INTERNAL CONTROL SYSTEM ADEQUACY;

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

HUMAN RESOURCE DEVELOPMENT AND RESEARCH ACTIVITIES;

The company places special emphasis on the human resources function in the organization and building strong relationship and establishing its brand in the market to attract and retain best talent. This has helped the company extensively to build a culture adhered people, whose performances are rewarded and where employees can realize his or her potentials. The total number of employees as on 31st March 2017 stood at 302

HEALTH & SAFETY MEASURE;

The company is fully committed to the safety, health & well being of its employees and minimizing the environmental impact of its business operations. A safe & 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 range of policies 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 best in this direction.

CAUTIONARY STATEMENT;

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

For and on behalf of the Board of Directors

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

Place: Mumbai
Dated: 11th August, 2017



ANNEXURE E TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2017.

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

1. REGISTRATION AND OTHER DETAILS:

Sr. No.	PARTICULARS	DETAILS
i.	CIN	L24230MH1972PLC116413
ii.	Registration Date	18 April 1972
iii.	Name of the Company	MANGALAM DRUGS AND ORGANICS LIMITED
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	3 RD FLOOR, RUPAM BUILDING 239, P. D'MELLO ROAD, MUMBAI-400001
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, L.B.S Marg, Vikhroli (West), Mumbai – 400 083

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of drugs, medicines and allied products	210	100%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year April 01, 2016				No. of Shares held at the end of the year March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (Equity)									
(1) Indian									
(a) Individual/ HUF	3046348	-	3046348	21.19	3046348	-	3046348	19.25	(1.94)
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	3538389	-	3538389	24.61	4988389	-	4988389	31.51	6.90
(e) Banks /Financial Institution	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	6584737		6584737	45.80	8034737		8034737	50.76	4.96
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)									
Total shareholding of Promoter (A)=A(1)+A(2)	6584737		6584737	45.80	8034737		8034737	50.76	4.96
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year April 01, 2016				No. of Shares held at the end of the year March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Banks / FI	-	-	-	-	30541	-	30541	0.19	0.19
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investor	1602	-	1602	0.01	-	-	-	-	(0.01)
Sub-total (B)(1)	1602	-	1602	0.01	30541	-	30541	0.19	0.18
2. Non-Institutions									
<i>a) Bodies Corporate.</i>									
i) Indian	508642	-	508642	3.54	586732	-	586732	3.71	0.17
ii) Overseas	-	-	-	-	-	-	-	-	-
<i>b) Individuals</i>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	4448947	10	4448957	30.94	5707296	10	5707306	36.05	5.11
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2144914	-	2144914	14.92	735211	-	735211	4.65	(10.27)
<i>c) Others</i>									
Non Resident Indians (Repat)	251253	-	251253	1.75	225581	-	225581	1.42	(0.32)
Non Resident Indians (Non Repat)	59500	-	59500	0.41	59930	-	59930	0.38	(0.03)
Foreign Nationals	-	-	-	-	2000	-	2000	0.012	0.012
Clearing Member	178438	-	178438	1.24	202331	-	202331	1.28	0.04
Trusts	500	-	500	0	-	-	-	-	-
Hindu Undivided Family	199705	-	199705	1.39	243879	-	243879	1.54	0.15
Sub-total (B)(2)	7791899	10	7791909	54.20	7762960	10	7762970	49.05	(5.15)
Total Public Shareholding (B)=(B)(1)+(B)(2)	7793501	10	7793511	54.20	7793501	10	7793511	49.24	(4.96)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14378238	10	14378248	100	15828238	10	15828248	100	



(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% change in the shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged or encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged or encumbered to total shares	
1.	Shri JB Pharma LLP	1200000	8.35	0.00	2650000	16.74	0	8.39
2.	Shree Kishoriju Trading & Investment Pvt Ltd	1098851	7.65	5.35	1098851	6.94	4.86	(0.71)
3.	Shree Rasbihari Trading & Investment Pvt Ltd	1048018	7.29	5.32	1048018	6.62	4.83	(0.67)
4.	Dhoot Govardhan Murlidhar	511792	3.56	3.19	511792	3.23	2.90	(0.33)
5.	Dhoot Brijmohan Murlidhar	486996	3.39	3.34	486996	3.08	3.04	(0.31)
6.	Chandrakanta Murlidhar Dhoot	430067	2.99	0.00	430067	2.72	0	(0.27)
7.	Radhika A Dhoot	292500	2.03	2.03	292500	1.85	1.85	(0.18)
8.	Smita A. Dhoot	292500	2.03	2.03	292500	1.85	1.85	(0.18)
9.	Rajkumari R. Dhoot	275948	1.92	1.92	275948	1.74	1.74	(0.18)
10.	Raj Exports Pvt Ltd	191520	1.33	1.33	191520	1.21	1.21	(0.12)
11.	Govardhan Murlidhar Dhoot	155330	1.08	0.00	155330	0.98	0	(0.10)
12.	Dhoot Rekha Govardhan	148760	1.03	1.03	148760	0.94	0.94	(0.09)
13.	Ajay R Dhoot	138687	0.96	0.96	138687	0.88	0.88	(0.08)
14.	Dhoot Jyoti Brijmohan	104550	0.73	0.73	104550	0.66	0.66	(0.07)
15.	Aditya R. Dhoot	89225	0.62	0.62	89225	0.56	0.56	(0.06)
16.	Brijmohan Murlidhar Dhoot	77473	0.54	0.00	77473	0.49	0	(0.05)
17.	Rajkamal Sukhani	23520	0.16	0.16	23520	0.15	0.15	(0.01)
18.	Shweta Govardhan Dhoot	19000	0.13	0.13	19000	0.12	0.12	(0.01)
	TOTAL	6584737	45.80	28.16	8034737	50.76	25.59	4.97

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

(iii) Change in Promoters' Shareholding:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2016		Increase/Decrease in Shareholding during the year			Cumulative Shareholding during at the end of the year 31/03/2017	
		No. of Shares	% of total shares of the company	Date	Reason	No. of Shares	No. of Shares	% of total shares of the company
1	Shri JB Pharma LLP	1200000	8.35	10.06.2016	Preferential issue (conversion of share warrants into Equity shares)	1450000	2650000	16.74



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

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01/04/2016 i.e. as per shareholding pattern of 31/03/2016		Changes in the shareholding (No. of Shares)		Shareholding at the end of the year as on 31/03/2017 i.e. as per shareholding pattern of 31/03/2017	
		No. of shares	% of total shares of the company	Increase (No. of shares)	Decrease (No. of shares)	No. of shares	% of total shares of the company
1	Thakkalapalli Sampath Rao	-	-	158450	-	158450	1.0011
2.	Shyamsunder Gupta	101330	0.7047	5162	-	106492	0.6728
3.	Karvy Stock Broking Ltd	59380	0.4130	146656	109423	96613	0.6104
4..	Daksha Vishanji Kotak	87100	0.6058	-	-	87100	0.5503
5.	Hari Kishen Malani	-	-	72000	-	72000	0.4549
6.	IL and FS Securities Services Limited	-	-	114317	44894	69423	0.4386
7.	Rajakumari Thammineni	-	-	57000	-	57000	0.3601
8.	S R Gupta	47338	0.3292	-	-	47338	0.2991
9.	Ashika Stock Broking Ltd	2050	0.0143	133753	90529	45274	0.2860
10.	U Parthan	41166	0.2863	4702	11346	34522	0.2181

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year 01/04/2016		Increase/Decrease in Shareholding during the year		Cumulative during/at the end of the year 31/03/2017	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
	At the beginning of the year						
1.	Shri Govardhan M Dhoot*	667122	4.6398	-	0	667122	4.2147
2.	Shri Brijmohan M Dhoot**	564469	3.9258	-	0	564469	3.5662

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

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

5. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5510.35	471.75	-	5982.10
ii) Interest due but not paid	27.71	-	-	27.71
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5538.06	471.75	-	6009.81
Change in Indebtedness during the financial year				
Addition	515.52	-	-	515.52
Reduction	-	94.25	-	94.25
Net change	515.52	(94.25)	-	421.27
Indebtedness at the end of the financial year				
i) Principal Amount	6242.80	377.50	-	6620.30
ii) Interest due but not paid	52.21	-	-	52.21
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6295.01	377.50	-	6672.51



6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No	Particulars of Remuneration	Name of WTD	Total Amount
		G.M.Dhoot	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,08,404	20,08,404
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - Others, specify	-	-
5	Others, please specify	-	-
	Total (A)	20,08,404	20,08,404
	Ceiling as per the Act	5% of the net profits	

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Brijmohan M Dhoot	Mr. Subhash Khattar	Ms. Meenal Sukhani*	Ms. Anuradha Sukhani	
1	Independent Directors Fee for attending board committee meetings	-	44,000	10,000	18,000	72,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	44,000	10,000	18,000	72,000
2	Other Non-Executive Directors Fee for attending board /committee meetings	28,000	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	28,000	-	-	-	28,000
	Total (B) = (1+2)	28,000	44,000	10,000	18,000	1,00,000
	Overall Ceiling as per the Act	NA. Since only Sitting Fees was paid during the year				

* Ms. Meenal Sukhani, Independent Director of the Company has resigned from the Board of the company w.e.f 16/05/2017

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	6,21,384	16,10,140	22,31,524
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	6,21,384	16,10,140	22,31,524

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March, 2017.

For and on behalf of the Board of Directors

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

Place: Mumbai

Dated: 11th August, 2017



ANNEXURE F TO DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

MANGALAM DRUGS AND ORGANICS LIMITED

CIN:L24230MH1972PLC116413

3RD FLOOR, RUPAM BUILDING 239,

P. D'MELLO ROAD,

NEAR GPO, MUMBAI- 400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MANGALAM DRUGS AND ORGANICS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the applicable provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 -Not applicable as the Company has not issued any shares / securities during the year under review; however, Balance Share warrants were converted into equity share capital on 10th June, 2016.
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 -Not Applicable as the Company has not issued any Shares / options to the Directors /Employees under the said Regulations during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not Applicable as the Company has not issued any debt securities during the year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges during the year under review;
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 -Not Applicable as the Company has not bought – back any of its securities during the year under review;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015..

During the Audit period under review, the Company has complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

During the audit period under review there were no specific laws which were exclusively applicable to the Company / Industry. However, having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the manufacturing activities:

1. Factories Act, 1948;
2. Acts prescribed under prevention and control of pollution;
3. Acts prescribed under Environmental protection.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meeting, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, The Trade Marks Act, 1999, The Indian Copyright Act, 1957, The Patents Act, 1970.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

We further report that:

During the audit period under review, there were no instances of:

- a) Public/Right issue of shares/ debentures/sweat equity, etc.
- b) Redemption / buy-back of securities.
- c) Obtaining the approval from Shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction, etc.
- e) Foreign technical collaborations.

**FOR ANKIT SETHI & ASSOCIATES
COMPANY SECRETARIES**

**ANKIT SETHI
PROPRIETOR**

ACS No. 25415 C. P. No.: 11089

Place: Mumbai

Date: 02nd August, 2017

Note: This report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

**ANNEXURE - A**

To,
The Members,
MANGALAM DRUGS AND ORGANICS LIMITED
CIN: L24230MH1972PLC116413
3RD FLOOR, RUPAM BUILDING 239,
P. D'MELLO ROAD
MUMBAI – 400001 IN

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR ANKIT SETHI & ASSOCIATES
COMPANY SECRETARIES

ANKIT SETHI
PROPRIETOR

ACS No. 25415 C. P. No.: 11089

Place: Mumbai

Date: 02nd August, 2017



AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

MANGALAM DRUGS & ORGANICS LIMITED

We, Milwani Associates, Chartered Accountants, the statutory Auditors of Mangalam Drugs & Organics Limited have examined the compliance of conditions of Corporate Governance by the company, for the year ended March 31, 2017, as stipulated in the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 (“the Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(CA. Rakesh K. Milwani)
Proprietor

Membership No. 36099
Firm Registration No. 106405W

Place: Mumbai

Date: 11th August, 2017



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY' CODE OF CONDUCT

To

The Members of MANGALAM DRUGS & ORGANICS LIMITED

I, Govardhan M Dhoot, Chairman & Managing Director, hereby declare that the Board of Directors of the company has received affirmation on compliance with the Code of Conduct for the period from 1st April, 2016 or the date of their joining the Company, whichever is later, to 31st March, 2017 from all the Members of the Board and Senior Management Personnel of the company.

GOVARDHAN M DHOOT
Chairman & Managing Director
DIN: 01240086

Place: Mumbai

Dated : 11th August, 2017

Registered Office:

3rd Floor, Rupam Building,
239, P.D'Mello Road,
Near GPO, Mumbai-400001



**CEO AND CFO CERTIFICATION UNDER REG 17 (8) OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

- (A) We have reviewed the financial statements for the year ended 31st March, 2017 and that to the best of our knowledge and belief;
- These statements do not contain any false or misleading statement or figures and ;
 - These statements do not omit any material fact which may make the statements or figures contained therein misleading.
 - 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.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the company during the quarter which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee
- that there has not been any significant change in internal control over financial reporting during the year under reference;
 - that there has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - that we are not aware of any instance during the year of significant fraud with involvement therein of control the management or any employee having a significant role in the Company's internal system over financial reporting.

(Govardhan M Dhoot)
Chairman & Managing Director

(Ajay Samant)
Chief Financial Officer

Place: Mumbai

Dated: 08th May, 2017



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANGALAM DRUGS & ORGANICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MANGALAM DRUGS & ORGANICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraph Nos. 3 and 4 of the order
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The accounts of the branch offices of the company have been audited by us under section 143(8) of the Act and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in the financial statements as to the dealings in Specified Bank Notes during the period from November 08, 2016, to December 30, 2016, and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the financial statements

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

Place: Mumbai

Dated: 08th May, 2017

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

**Annexure – A to Independent Auditors’ Report**Forming part of the Independent Auditors’ Report of even date on the financial statement as of and for the year ended 31st March, 2017.**i. In respect of Fixed Assets:**

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

ii. In respect of Inventories:

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

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

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

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments, guarantees and securities.**v. According to information and explanations provided to us, the company has not accepted any deposit from public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013, and the Rules framed there under. Hence we offer no comments in respect of any contraventions thereto. No order has been passed by Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or other tribunal in respect of any deposit as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013, and Rules framed there under.****vi. The company is maintaining the cost accounting records as prescribed by the Central Government under Section 148(1) of the Companies Act 2013 for the Company.****vii. In respect of Statutory Dues:**

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

- (b) The following are the disputed dues which have not been deposited :

No.	Nature of Dues	Amount (Rs. In Lacs)	Forum where dispute is Pending
1)	Excise Duty & Service Tax		
	a) 2011 – 12	24.82	CESTAT, Ahmedabad
	b) 2011 – 12	183.55	CESTAT, Ahmedabad
	Sub Total	208.37	

2)	Income Tax		
	a) AY-2002 – 2003	00.86	Income Tax Appellant Tribunal Mumbai
	b) AY-2003 – 2004	00.88	Income Tax Appellant Tribunal Mumbai
	c) AY-2004 – 2005	54.93	Income Tax Appellant Tribunal Mumbai
	d) AY-2005 – 2006	1.36	Income Tax Appellant Tribunal Mumbai.
	e) AY-2006 – 2007	21.42	Commissioner of Income Tax Appeals – IV Mumbai
	f) AY-2011 – 2012	56.14	Income Tax Appellant Tribunal Mumbai
	Sub Total	135.59	
	Total	343.96	

viii. As per our examination and according to the information and explanation given to us and based on records of the company examined by us, the company has, during the year, not defaulted in the repayment of loans or borrowings to a financial institutions, bank, Government or dues to debenture holders.



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

Place: Mumbai

Dated: 08th May, 2017

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



Annexure – B to Independent Auditors’ Report

Forming part of the Independent Auditors’ Report of even date on the financial statement as of and for the year ended March 31st, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of MANGALAM DRUGS & ORGANICS LIMITED (“the Company”) as of March 31st, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai

Dated: 08th May, 2017

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

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



BALANCE SHEET AS ON 31ST MARCH, 2017

In Lacs

Particulars		Note No	As at 31 March, 2017	As at 31 March, 2016
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	1,582.82	1,437.82
	(b) Reserves and surplus	3	7,033.55	3,866.36
	(c) Money recd agst Share Warrants		-	848.25
	Sub Total -Shareholders funds		8,616.37	6,152.43
2	Non-current liabilities			
	(a) Long-term borrowings	4	2,073.56	1,692.15
	(b) Deferred Tax Liabilities (Net)	5	1,015.34	844.89
	Sub Total -Non-Current Liabilities		3,088.90	2,537.04
3	Current liabilities			
	(a) Short-term borrowings	6	3,754.50	3,537.57
	(b) Trade payables		2,077.55	2,067.50
	(c) Other current liabilities	7	1,566.41	1,681.85
	Sub Total -Current Liabilities		7,398.46	7,286.92
	TOTAL		19,103.73	15,976.39
B	ASSETS			
1	I) Non-current assets			
	Fixed assets			
	(i) Tangible Assets	8	9,255.62	5,418.96
	(ii) Capital work-in-progress		-	492.74
	Long-term loans and advances	9	116.27	99.31
	Sub Total -Non-Current Assets		9,371.89	6,011.01
2	Current assets			
	(a) Current Investments	10	24.39	24.01
	(b) Inventories	11	3,724.95	4,734.06
	(c) Trade receivables	12	3,975.07	3,014.43
	(d) Cash and cash equivalents	13	62.73	49.53
	(e) Short-term loans and advances	14	1,944.70	2,143.35
	Sub Total Current Assets		9,731.84	9,965.38
	TOTAL		19,103.73	15,976.39
	Significant accounting policies	1	-	-
	The accompanying Notes 1 to 22 are an integral part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

(CA Rakesh K Milwani)
 Proprietor: Milwani Associates
 CHARTERED ACCOUNTANTS
 Membership No.036099
 Firm Registration No.106405W

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

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

(Ms Nikita Bavishi)
 Company Secretary

(Shri Ajay Samant)
 Chief Financial Officer

Place : Mumbai
 Dated: 08th May, 2017



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2017

In Lacs

Particulars		Note No	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A	CONTINUING OPERATIONS			
1	Revenue from operations	15	31,244.39	30,314.84
	Less: Excise duty		955.83	812.66
	Revenue from operations		30,288.56	29,502.18
2	Other income	16	25.63	19.73
3	Total revenue (1+2)		30,314.19	29,521.91
4	Expenses			
	(a) Cost of materials consumed	17	18,190.96	20,239.11
	(b) Changes in inventories of finished goods, work in progress and stock in trade	18	1,556.91	(7.96)
	(c) Employee benefits expense	19	1,852.28	1,438.69
	(d) Finance costs	20	1,003.65	929.17
	(e) Depreciation	8	500.71	441.30
	(f) Other Expenses	21	3,871.44	4,080.00
	Total expenses		26,975.95	27,120.31
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		3,338.24	2,401.60
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		3,338.24	2,401.60
8	Extraordinary items		-	-
9	Profit / (Loss) before tax (7 ± 8)		3,338.24	2,401.60
10	Tax expense:			
	(a) Current tax		798.10	487.75
	(b) Mat Credit Entitlement		-	(364.55)
	(b) Deferred tax		170.45	675.09
			968.55	798.29
11	Profit / (Loss) for the year (9 ± 10)		2,369.69	1,603.31
12	Earning Per equity share:			
	1) Basic	22	14.97	11.15
	2) Diluted		14.97	10.13
	Significant accounting Policies			
	The accompanying Notes 1 to 22 are an integral part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

(CA Rakesh K Milwani)
Proprietor: **Milwani Associates**
CHARTERED ACCOUNTANTS
Membership No.036099
Firm Registration No.106405W

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

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

(Ms Nikita Bavishi)
Company Secretary

(Shri Ajay Samant)
Chief Financial Officer

Place : Mumbai
Dated: 08th May, 2017



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	PARTICULARS	2016-17 (₹ in Lacs)	2015-16 (₹ in Lacs)
A	Cash Flow from Operating Activities		
	'Net Profit before Tax	3,338.24	2,401.60
	<u>Adjustment for :</u>		
	'Depreciation /Amortization	524.39	441.30
	'Profit/Loss on sales of Fixed Assets	78.04	16.76
	'Dividend Income	(2.06)	(2.02)
	'Interest Expenses	1,003.65	929.18
	'Operating Profit before Working Capital changes	4,942.26	3,786.82
	<u>Adjustment for :</u>		
	'Trade & Other receivables	(833.82)	889.37
	'Inventories	1,009.11	999.99
	'Trade Payable	(155.81)	(3,100.43)
	'Cash generated from Operation	4,961.74	2,575.75
	Less :		
	' Taxes Paid	(732.67)	(394.58)
	Net Cash from Operating Activities	4,229.07	2,181.17
B	Cash Flow from Investing Activities		
	'Purchase of Fixed Assets / Capital Expenditure	(3,952.81)	(1,109.31)
	'Sale of fixed Assets	6.46	18.81
	'Purchase of shares	(0.38)	0.01
	'Dividend received	2.06	2.02
	'Net Cash from Investing Activities	(3,944.67)	(1,088.47)
C	Cash Flow from Financing Activities		
	'Long Term Borrowings	421.27	(2,165.31)
	'Short Term borrowings	216.93	355.13
	Money recd twds Share warrants	-	848.25
	Issue of Shares	94.25	780.00
	'Interest Expenses	(1,003.65)	(929.18)
	'Net Cash from Financing Activities	(271.20)	(1111.11)
	Net decrease in cash & cash Equivalentents (A+B+C)	13.20	(18.41)
	Opening Balance of Cash & Cash Equivalentents	49.53	67.94
	Closing Balance of Cash & Cash Equivalentents	62.73	49.53

In terms of our report attached

For and on behalf of the Board of Directors

(CA Rakesh K Milwani)
Proprietor: **Milwani Associates**
CHARTERED ACCOUNTANTS
Membership No.036099
Firm Registration No.106405W

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

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

(Ms Nikita Bavishi)
Company Secretary

(Shri Ajay Samant)
Chief Financial Officer

Place : Mumbai
Dated: 08th May, 2017



Notes to financial statement for the year ended 31st March, 2017

NOTE 01.**SINGNIFICANT ACCOUNTING POLICIES.****a. BASIS OF ACCOUNTING**

- 1) The Books of Account are prepared under the Historical cost convention method using the accrual method of Accounting, based on principle of going concern and in accordance with the generally accepted accounting principle and the accounting standards referred to under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 / Companies Act, 1956 as applicable & guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.
- 2) Excise and Custom duty is accounted for at the time of clearance of the goods.
- 3) Contingent Liabilities are disclosed by way of notes to accounts.

b. REVENUE RECOGNITION

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

c. FIXED ASSETS

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

d. IMPAIRMENT OF ASSETS

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

e. METHOD OF DEPRECIATION

The company is charging depreciation on Straight Line Method at the rates and in the manner specified in the Schedule II of the Companies Act, 2013.

f. INVESTMENTS

Investments are stated at cost.

g. INVENTORIES

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

h. FOREIGN CURRENCY TRANSACTIONS

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

i. RETIREMENT BENEFITS

- i) The Company makes regular monthly contribution to provident and pension fund maintained by provident fund commissioners.
- ii) Defined Benefit plan in the form of gratuity are determined using the projected Unit credit method as at Balance sheet date
- iii) The Company has provided for leave encashment for the leave balances as on 31st March, 2017



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.



Notes to financial statement for the year ended 31st March, 2017

Particulars		As At 31-03-2017		As At 31-03-2016	
		In Numbers	In Lacs	In Numbers	In Lacs
2	SHARE CAPITAL				
	a) Authorised (3,00,00,000 Equity Shares of ₹10 Each) (Previous Year :200,00,000/-Equity shares of ₹10 each)	300,00,000	3,000.00	300,00,000	3,000.00
			3,000.00		3,000.00
	b) ISSUED SUBSCRIBED AND PAID UP 1,58,28,248 Equity Shares of ₹10/-each fully paid up (Previous Year 1,43,78,248/-Equity Shares of ₹10/-each) 1) Pursuant to acquisition of business with undertaking of Mangalam Organics Pvt.Ltd.Mangalam Rasayan Pvt.Ltd & Shree Mangalam Pharma Pvt Ltd., 10,38000/-Equity shares for value ₹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 ₹10/-each fully paid up were allotted as bonus shares without payment being received in cash by capitalisation of General Reserve. 3) During the year-2003-04, 44,52,000/-Equity shares of ₹10/-each fully paid up were Alloted, by way of Bonus shares by capitalisation of General Reserves. 4) During the year 2005-06, 65,00,248/-Equity shares of ₹10/-each fully paid up were Alloted, by way of initial public offer, at a premium of ₹12/-per share. 5) During the year 2015-16, 12,00,000 Equity shares of Rs 10/-each fully paid was allotted pursuant to conversion of 12,00,000 share warrants on preferential allotment to promoter group at a premium of Rs 55/-per share. 6) During the year 2016-17 ,1450000 Equity shares of Rs 10/-each fully paid was allotted pursuant to conversion of 1450000 share warrants on preferential allotment to promoter group at a premium of Rs 55/-per share.		1,582.82		1437.82
			1,582.82		1,437.82

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, 2017. and March 31, 2016

Equity Shares (issued Capital)	As at 31-03-2017		As at 31-03-2016	
	In Numbers	In Lacs	In Numbers	In Lacs
Shares outstanding at the beginning of the year	143.78	1437.82	131.78	1317.82
Shares issued during the year	14.50	145.00	12.00	120
Shares outstanding at the end of the year	158.28	1,582.82	143.78	1,437.82



- 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	31/03/2017	31/03/2016	31/03/2015	31/03/2014	31/03/2013
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 2017		As at 31 March 2016	
		No of Shares held	% of Holding	No of Shares held	% of Holding
1	Shri JB Pharma LLP	2650000	16.74	1200000	8.35
2	Shree Kishoriju Trading and Investment Pvt.Ltd	1098851	6.94	1098851	7.64
3	Shree Rashbihari Trading and Investment Pvt.Ltd	1039518	6.57	1039518	7.23

Note No	RESERVES AND SURPLUS	(In Lacs)	
		As at 31-03-2017	As at 31-03-2016
3	A) GENERAL RESERVE :-		
	Balance as per last Balance Sheet	1,079.05	1,079.05
	Add:-Transfer During the Year	-	-
	Total Amount (A)	1,079.05	1,079.05
	B) SHARE PREMIUM :-		
	Balance as per last Balance Sheet	1,440.03	780.03
	Add:-Transfer During the Year	797.50	660.00
	Total Amount (B)	2,237.53	1,440.03
	C) PROFIT AND LOSS ACCOUNT :-		
	Balance as per Last Balance Sheet	1,347.28	(240.49)
	Add:- Profit/(Loss) for the year	2,369.69	1,603.31
	Less:Additional Depreciation on Fixed Assets	0.00	15.54
	Total Amount (C)	3,716.97	1,347.28
	Total Amount (A+B+C)	7,033.55	3,866.36

Note No	LONG TERM BORROWINGS	As At 31-03-2017	As At 31-03-2016	As At 31-03-2017	As At 31-03-2016
		Non-Current		Current (Refer Note-07)	
4	Term Loans (Secured)				
	Rupee Term loans from Banks	1,546.54	1,088.60	735.28	706.02
	Other Loan From Banks	149.52	131.80	56.96	46.36
	From Others (Unsecured)	377.50	471.75	-	-
	Total Amount	2,073.56	1,692.15	792.24	752.38

NOTE:

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

In Lacs

Note No	DEFERRED TAX LIABILITY (NET)	As At 31-03-2017	As At 31-03-2016
5	Balance as per Last Balance Sheet	844.89	169.80
	Add:-Transfer during the year	170.45	675.09
	Total Amount	1,015.34	844.89



In Lacs

Note No	SHORT TERM BORROWINGS	As At 31-03-2017	As At 31-03-2016
6	Secured		
	l) Loans Repayable on demand From Banks	3,754.50	3,537.57
	Total Amount	3,754.50	3,537.57

Note:

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

Note No	OTHER CURRENT LIABILITIES	As at 31-03-2017	As at 31-03-2016
7	a) Current maturities of long-term debt (refer note no.4" Longterm borrowing ")	792.24	752.38
	b) Accrued salaries and benefit	202.70	218.85
	c) Interest accrued and due on borrowings	52.22	27.71
	d) Statutory dues	449.60	582.44
	e) Provision for expenses	52.71	94.09
	f) Provision for Tax (Net of Advance Tax)	16.94	6.38
	Total Amount	1,566.41	1,681.85

8) FIXED ASSETS												
Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK (In Lacs)			
	Balance as at 01-04-2016	Addition	Deletions	Balance as at 31-03-2017	Balance as at 01-04-2016	Depreciation Charge for the year	Deduction	Deduction Transiation of Assets	Balance as at 31-3-17	Balance as at 31-03-2016	Balance as at 31-3-17	
A) Tangible Assets												
(Not Under Lease)												
Land	54.40	-	-	54.40	-	-	-	-	-	54.40	54.40	54.40
Factory Building '1	1,232.48	1,348.17	57.28	2,523.37	374.56	58.95	33.60	-	399.91	2,123.46	857.92	857.92
Plant & Machinery, Laboratory & R & D Equipment	7,900.02	2,707.75	212.57	10,395.20	3,566.30	369.85	33.45	-	3,902.70	6,492.50	4,333.72	4,333.72
Office & Electrical Equipments	174.83	289.08	-	463.91	158.44	33.24	-	-	191.68	272.23	16.40	16.40
Furniture and Fixtures	68.52	71.68	-	140.20	61.93	3.07	-	-	65.00	75.20	6.58	6.58
Motor Care & Vehicles	204.96	47.55	0.49	252.02	88.08	18.69	0.46	-	106.31	145.71	116.88	116.88
Air Conditioner	22.91	45.23	1.06	67.08	14.72	7.64	0.53	-	21.83	45.25	8.19	8.19
Computer	98.67	31.25	-	129.92	73.79	9.27	-	-	83.06	46.86	24.88	24.88
Sub Total	9,756.79	4,540.71	271.40	14,026.10	4,337.82	500.71	68.04	-	4,770.49	9,255.62	5,418.96	5,418.96
B) Intangible Assets												
Sub Total	-	-	-	-	-	-	-	-	-	-	-	-
C) Capital Work in Process												
Sub Total	492.74	-	492.74	-	-	-	-	-	-	-	492.74	492.74
Total Assets	10,249.53	4,047.97	271.40	14,026.10	4,337.82	500.71	68.04	-	4,770.49	9,255.62	5,911.70	5,911.70
Previous Year	9,182.40	1,129.72	62.60	10,249.52	3,887.60	441.30	6.62	15.54	4,337.82	5,911.70	5,294.80	5,294.80


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

						In Lacs	
Note No	LONG TERM LOANS AND ADVANCES			As at 31-03-2017	As at 31-03-2016		
9	Unsecured and Considered good A) Security Deposits Unsecured and Considered Good			116.27	99.31		
	Total Amount			116.27	99.31		
Note No.	CURRENT INVESTMENTS	Face Value	Nos of Shares		Amount of Shares (in Lacs)		
10		per share (in Rs)	Current Year	Previous Year	Current Year	Previous Year	
			31.03.17	31.03.16	31.03.17	31.03.16	
A	Quoted Investments :						
	1 IMP Power Ltd.	10	172,172	172,172	11.62	11.62	
	2 Gujarat State Finance Corpn. Ltd.	10	900	900	0.19	0.19	
	3 Ajanta Pharma	10	1	1	0.00	0.00	
	4 Avon Organics	10	1	1	0.00	0.00	
	5 Fine Drugs	10	1	1	0.00	0.00	
	6 Hikal Chemicals	10	1	1	0.00	0.00	
	7 J. B. Chemicals	2	5	5	0.00	0.00	
	8 Kanoria Chem	10	1	1	0.00	0.00	
	9 Krebs Biochem	10	1	1	0.00	0.00	
	10 Morepen Lab	2	1	1	0.00	0.00	
	11 Neuland Lab	10	1	1	0.00	0.00	
	12 Orchid Chem	10	1	1	0.00	0.00	
	13 Pearl Organics	10	1	1	0.00	0.00	
	14 Sun Pharmaceuticals	5	1	1	0.00	0.00	
	15 Torrent Pharma	5	4	4	0.00	0.00	
	16 Torrent Gujarat	10	1	1	0.00	0.00	
	17 Aarti Drugs Ltd	10	5	5	0.00	0.00	
	18 Granules Industries	10	1	1	0.00	0.00	
	Total (A)		1,73,099	1,73,099	11.84	11.84	
	Market Value of quoted shares ₹ 1,53,24,285/- (Previous year ₹1,46,64,121/-)						
B	Unquoted Investments :						
	1 National Savings Certificate	-	-	-	2.20	1.82	
	2 Shares of Saraswat Co-op Bank Ltd.	-	2,500	2,500	0.25	0.25	
	3 Shares of PMC Bank Ltd	-	42,560	18,200	10.10	10.10	
	Total (B)		20,700	20,700	12.55	12.17	
	TOTAL (A+B)		193,799	193,799	24.39	24.01	



		In Lacs	
Note No	INVENTORIES	As at 31-03-2017	As at 31-03-2016
11	(Valued at lower of cost and net realisable value)		
	Raw Materials	1,969.11	1,424.47
	Packing Materials	13.15	9.99
	Finished Goods	690.98	1,699.32
	Work-in-Progress	1,051.71	1,600.28
	Total Amount	3,724.95	4,734.06
Note No	TRADE RECEIVABLES	As at 31-03-2017	As at 31-03-2016
12	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured and Considered Good	3,968.43	3,000.21
	Trade receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured and Considered Good	6.64	14.22
	Total Amount	3,975.07	3,014.43
13	CASH AND CASH EQUIVALENTS		
	A) Cash on Hand	3.11	3.25
	B) Balance with Banks		
	I) In Current Accounts	35.81	25.61
	II) In Deposits Accounts	23.81	20.67
	Total Amount	62.73	49.53
14	SHORT-TERM LOANS AND ADVANCES		
	(Unsecured & Considered good)		
	Prepaid Expenses	90.24	31.17
	Loans to employees-staff advances	0.78	1.96
	Balance with statutory / Governments authorities	1,081.84	1,108.02
	Mat Credit Entitlement	521.98	585.02
	Others	249.86	417.18
	Total Amount	1,944.70	2,143.35
Note No	REVENUE FROM OPERATIONS	Year ended 31-03-2017	Year ended 31-03-2016
15	Sale of products	29,518.31	29,807.46
	Scrap Sales	21.04	18.30
	Excise duty Rebate/Refund on deemed exports	1,705.04	489.08
	Revenue from Operations (Gross)	31,244.39	30,314.84
	Less:- Excise Duty	955.83	812.66
	Revenue from Operations (Net)	30,288.56	29,502.18



		In Lacs	
16	OTHER INCOME	Year ended 31-03-2017	Year ended 31-03-2016
	1) Exports Benefits		
	a) Duty Drawback Rebate Claim	19.26	13.89
	Total -(I)	19.26	13.89
	II) Dividend Recd.	2.06	2.02
	Total -(III)	2.06	2.02
	III) House Rent Received	4.31	3.82
	Total -(III)	4.31	3.82
	Total Amount (I+II+III)	25.63	19.73
17	COST OF RAW MATERIALS CONSUMED		
	Inventory at the beginning of the year	1,424.47	2,425.37
	Add:- Purchases	18,752.05	20,416.48
		20,176.52	22,841.85
	Less:- Inventory at the end of the year	1,969.11	1,424.47
	Cenvat Availed	16.45	1,178.27
	Total Amount	18,190.96	20,239.11
Note No	CHANGES IN INVENTORIES OF FINISHED GOODS		
18	AND WORK IN PROGRESS		
	Inventory at the end of the year		
	Work in Progress	1,051.71	1,600.28
	Finished Goods	690.98	1,699.32
	Total (A)	1,742.69	3,299.60
	Inventory at the beginning of the year		
	Work in Progress	1,600.28	2,858.64
	Finished Goods	1,699.32	433.00
	Total (B)	3,299.60	3,291.64
	Increase / (Decrease) in inventories (A-B)	1,556.91	(7.96)
19	EMPLOYEE BENEFITS EXPENSES		
	Salaries ,Wages and Bonus	1,667.74	1,236.96
	Contribution to -Provident and other funds	113.87	145.14
	Staff welfare expenses	50.30	26.92
	Others	20.37	29.67
	Total Amt	1,852.28	1,438.69
20	FINANCE COST		
	Interest Expenses	666.26	633.59
	Bank Charges	160.90	156.43
	Other Borrowing Costs	176.49	139.15
	Total Amt	1,003.65	929.17
Note No	OTHERS EXPENSES	Year ended 31-03-2017	Year ended 31-03-2016
21	MANUFACTURING EXPENSES		
	Carriage Inward & Freight	34.39	21.54
	Excise Duty diff on Finished & Semi-finished stock	(164.43)	114.83
	Job Work	4.69	2.18
	Power, Fuel,Electricity& Water	1,152.84	1,089.64
	Repairs and Maintenance	486.00	527.41
	Sales Tax Paid	436.67	510.79
	Laboratory Exps	207.35	114.16
	Testing Fees	26.53	12.37
	Pollution Control Exps	128.15	186.00
	Stores and Spares	137.60	111.38
	Total (A)	2,449.79	2,690.30



		In Lacs	
		Year ended 31-03-2017	Year ended 31-03-2016
	ADMINISTRATIVE EXPENSES		
	Directors Remuneration	20.00	14.10
	Clearing & forwarding	-	0.19
	Corporate Social Responsibility(CSR) Expenses	15.65	-
	Insurance Charges	31.82	18.39
	Legal and Professional Fees	156.37	142.78
	Miscellaneous Expenses	42.82	225.93
	Postage and Telegram	8.04	5.82
	Printing and Stationery	45.24	30.25
	Rent,Rates and Taxes	70.85	59.45
	Travelling and Conveyance	113.57	51.24
	Vehicle Expenses	47.55	34.14
	Service charges	44.08	18.03
	Office Expenses	52.21	27.37
	Telephone telex & fax charges	13.62	15.42
	Membership and subscription fees	4.63	1.93
	Registration & Licence Fees	48.56	28.59
	Stamp Duty Expense	8.55	17.87
	Computer Expense	9.99	6.86
	Listing Fees to Stock Exchanges	4.00	5.20
	Loss of Cash by Theft	6.00	-
	Diminution in Value of Factory Buildings	23.68	-
	Profit/Loss on Sale of Asset	78.04	16.76
	Total (B)	845.27	720.31
	AUDITORS REMUNERATION EXPENSES		
	Statutory Audit Fees	1.75	1.75
	Tax Audit Fees	0.80	0.80
	Certification Fees	1.19	1.48
	Total (C)	3.74	4.03
	(Figures Include Net of Service Tax)		
	SELLING AND DISTRIBUTION EXPENSES		
	Advertisement & Sales Promotion	65.96	47.12
	Packing and Forwarding	112.13	125.27
	Carriage Outward,Freight & Insurance	111.67	98.84
	Sales Commission and Discount	147.00	265.96
	Total (D)	436.76	537.19
	RESEARCH & DEVELOPMENT EXPENSES (UNIT-2)		
	Research & Development Expenses	2.47	0.56
	Salary & Wages	112.25	63.77
	Laboratory Expenses	10.05	9.73
	Travelling Expenses	0.82	7.96
	Raw-Material Purchases	10.29	46.17
	Total (E)	135.88	128.18
	Total Amount (A+B+C+D+E)	3,871.44	4,080.00
22	Profit / Loss after taxation as per Profit & Loss Account	2,369.69	1,603.31
	Number of equity shares outstanding	158.28	143.78
	Basic & Diluted Earnings per share in rupee (Equity Shares of Rs .10/-Each)	14.97	11.15



Note No.24. CONTINGENT LIABILITIES:

PARTICULARS	CURRENT YEAR Amount in Rs	PREVIOUS YEAR Amount in Rs.
A) Performance Guarantees/ Bonds		
(i) Guarantee executed in favor of Assistant Collector of Customs	13,27,172	14,03,402
(ii) Guarantee executed in favor of Export Parties.	-	68,300
B) Others		
(iii) Guarantee given to GSPC Gas Co Ltd	1,05,50,838	72,58,388
(iv) Guarantee given to GPCB	1,00,000	27,50,000
(v) Guarantee given to Edelweiss Securities Ltd	50,00,000	-
(v) Estimated ROR to be paid to Consortium Banks	4,91,00,000	4,91,00,000

Note No.25. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR Amount in lacs	PREVIOUS YEAR Amount in lacs
(i) Raw Materials	15623.99	17076.02
(ii) Commission on Exports & Imports	6.93	6.40
(iii) Travelling Expenses	39.31	13.82
(iv) Earnings in foreign currency on export of goods on CIF basis (Including deemed exports)	8504.18	4916.54

Note No.26. CONSUMPTION OF RAW MATERIAL

PARTICULARS	%	VALUE (RS. IN LAKHS)
(i) Imported	85	15444.51
	(91)	(18394.21)
(ii) Indigenous	15	2746.45
	(9)	(1790.86)

Note No.27. CAPACITIES, PRODUCTION AND SALES (As Certified by Management)

Description of products	Licensed Capacity	Installed Capacity (Tons)	Production (Tons)
Bulk Drugs & Intermediates	N.A. (N.A.)	600 (600)	601.29 (621.74)

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

Note No.28.SALES AND STOCKS (QTY. IN TONS AND VALUE IN LACS)

Particulars	Opening Stock		Sales		Closing Stock	
	QTY	VALUE	QTY	VALUE	QTY	VALUE
1.Bulk Drugs & Intermediates	27.80 (9.82)	1699.31 (433.00)	607.41 (603.76)	30288.56 (29502.18)	21.68 (27.80)	690.98 (1699.31)

Note No.29.

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

Note No.30.

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

Note No.31.

Number of employees in respect of remuneration of Rs. 1,02,00,000/-P. A. or more if employed throughout the financial year (or Rs. 8,50,000/-p.m. if employed for the part of the period) is NIL.

**Note No.32.**

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note No.33. Segment Information.

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

Secondary Segments – Geographical Segments

No.	PARTICULARS	DOMESTIC	EXPORT	TOTAL
1	Segment revenue by geographical area based on geographical location of customers (including sales, service, export incentives, etc.	21784.38	8504.18	30288.56

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

Note No. 34.

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

A) Associate Companies and others.

- Raga Organics Private Ltd.

B) Key Management Personnel

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

Details of Transactions are as below:

Particular	Associates Company & others	Key Management Personnel	Total (in Lacs)
Remuneration	-	20.00	20.00
Rent paid	-	-	-
Outstanding Balance			
- Payable	377.50	-	377.50
- Rent deposit	-	7.00	7.00
- Sitting Fees	-	1.00	1.00

Note No.35. Disclosure on Specified Bank Notes(SBNs):-

During the year the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification GSR 308(E) dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows: (In Rs)

Particulars	SBNs (i)	Other denomination notes	Total
Closing Cash in hand as on 8.11.2016.	11,48,000	8,29,463	19,77,463
Add: Permitted Receipts	-	26,50,000	26,50,000
Less: Permitted Payments	63,000	13,22,996	13,85,996
Less: Amt deposited in Banks	10,85,000	-	10,85,000
Closing Cash in hand as on 30.12.2016	-	21,56,467	21,56,467

- (i): For the purpose of this clause the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance Department of Economic Affairs number S.O.3407(E) dated November 8, 2016.

**Note No. 36. Employee Benefits:-**

Defined benefit plan as per actuarial valuation on March 31, 2017

I	Expense recognized in the statement of Profit & Loss for the year ended March 31,2017	Current year	Previous year
1	Current Service Cost	14,97,566.00	9,67,172.00
2	interest Cost	13,58,885.00	8,10,060.00
3	Expected return on plan assets	(9,47,476.85)	(8,85,832.07)
4	Net Auctorial gain/loss recognized in the year	(65,52,775.00)	55,78,964.00
5	Expenses Recognized in statement of P & L	(46,43,801.00)	64,70,363.93
II	Net Asset/(Liability) recognised in the Balance Sheet as at March 31,2017		
1	Present value of obligations as at the end of year	1,26,42,050.00	1,69,86,066.00
2	Fair value of plan assets as at the end of the year	1,32,45,499.50	1,14,95,361.76
3	Funded status	6,03,449.50	(54,90,704.24)
4	Net asset/liability recognized in balance sheet	6,03,449.50	(54,90,704.24)
III	Change in obligation during the year ended March 31,2017		
1	Present value of obligation as at beginning of year	1,69,86,066.00	1,01,25,741.00
2	interest Cost	13,58,885.00	8,10,060.00
3	Current Service Cost	14,97,566.00	9,67,172.00
4	Benefits paid	(6,47,692.00)	(4,95,871.00)
5	Actuarial gain /loss on obligations	(65,52,775.00)	55,78,964.00
6	Present value of obligation as at end of year	1,26,42,050.00	1,69,86,066.00
IV	Change in assets during the year ended March 31,2017		
1	Fair value of plan assets at beginning of year	1,14,95,361.76	1,03,08,139.25
2	Expected return on plan assets	9,47,476.80	8,85,832.07
3	Contributions	14,50,352.89	7,97,261.44
4	Benefits paid	(6,47,692.00)	(4,95,871.00)
5	Actuarial gain /loss on Plan Assets	-	-
6	Fair value of plan assets at the end of year	1,32,45,499.50	1,14,95,361.76
V	The major categories of plan assets as a percentage of total plan		
	Qualifying Insurance Policy	100%	100%
VI	Actuarial Assumptions		
1	Discount Rate	8.00%	8.00%
2	Salary Escalation	6.00%	6.00%
3	Employee Turnover rate	-	-

Note No. 37.

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

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

Shri. Govardhan M. Dhoot
Chairman & Managing Director
Din : 01240086

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

(Ms. Nikita Bavishi)
Company Secretary

(Shri. Ajay Samant)
Chief Financial Officer

Place: -MUMBAI
Dated: 08th May, 2017



MANGALAM DRUGS AND ORGANICS LIMITED

(CIN: L24230MH1972PLC116413)

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

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

Email: investor@mangalamdrugs.com • Website: <http://www.mangalamdrugs.com>

ATTENDANCE SLIP

44th Annual General Meeting

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

DP ID :	
CLIENT ID:	

REGD FOLIO NO. :	
NO. OF SHARES HELD :	

Full name & address of the member attending _____

Name of Proxy _____

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

I/ We hereby record my/ our presence at the 44th Annual General Meeting of the Company to be held at KILACHAND CONFERENCE ROOM, 2nd Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai- 400001 on Tuesday, the 26th September, 2017 at 03.30 p.m.

Member's/ Proxy's Signature

* Strike out whichever is not applicable

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



Route Map to the AGM venue

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





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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 44th Annual General Meeting of the Company, to be held on Tuesday the 26th September, 2017 at 03.30 p.m at KILACHAND CONFERENCE ROOM, 2nd Floor, Indian Merchant Chamber Building, IMC Marg, Churchgate, Mumbai- 400001 and at any adjournment thereof in respect of the resolutions as indicated below:

Sr. No.	RESOLUTION	Optional*	
		For *	Against *
1.	To consider and adopt Audited Financial Statement as at 31 st March, 2017 including the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Shri Brijmohan M Dhoot, who retires by rotation		
3.	To appoint Auditors to hold office from the conclusion of this 44 th Annual General Meeting till the conclusion of company's 49 th Annual General Meeting .		
4.	Ratification of remuneration of M/s Ankit Kishor Chande, Cost Accountants as Cost Auditors for the year 2017-2018.		
5.	To determine the fees to be charged for service of document in a particular mode as per Section 20 of the Companies Act, 2013.		

Signed this day of 2017.



Signature of Shareholder(s)

Signatures of:

.....
First Proxy Holder

.....
Second Proxy Holder

.....
Third Proxy Holder

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

(2) For the Resolutions, Explanatory statement and Notes, please refer to the Notice of the 44th 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' 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

(4) Please complete all details including details of member(s) in above box before submission.

BY COURIER

If undelivered, please return to:

LINK INTIME
INDIA PVT LTD



(Formerly WYBEC OF COMMERCE & INDUSTRY LTD)

M/s. Link Intime India Private Limited
C- 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai- 400 083