

# Mangalam Drugs and Organics Limited



Regd. Office : Rupam Building, 3rd Floor, 239 P. D'Mello Road, Near G. P. O. Mumbai - 400 001.

☎ 91-22-62616200 / 6300 / 8787 🌐 91-22-62619090 • CIN : L24230MH1972PLC116413

September 4, 2024

REF: MDOL/CS-SE/2024-25/0020

To,  
Listing Department  
**BSE Ltd**  
1<sup>st</sup> Floor, New Trade Wing,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
Scrip Code: 532637

To,  
Listing Department  
**National Stock Exchange of India Limited**  
"Exchange Plaza", 5<sup>th</sup> Floor,  
Plot No. C-1, Block G,  
Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400 051  
Symbol: MANGALAM

Dear Sir / Madam,

**Subject: Annual Report of the Company, Notice convening 51<sup>st</sup> Annual General Meeting ("AGM") for the Financial Year 2023-24 and Intimation of cut-off date for remote e-voting Mangalam Drugs and Organics Limited ("The Company"):**

**Reference: Pursuant to Regulation 34 read with Regulation 36 and Clause 12 of Part A of Schedule III of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"):**

In furtherance to the captioned subject and mentioned reference, we wish to inform you that 51<sup>st</sup> AGM of the Company is scheduled to be held on Thursday, September 26, 2024, at 03.00 PM through Video Conference / Other Audio-Visual Means, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and SEBI. Please find enclosed Annual Report of the Company for the Financial Year 2023-24 including Notice convening the 51<sup>st</sup> AGM.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the SEBI, the Annual Report of the Company for the financial year 2023-24 including Notice convening the 51<sup>st</sup> AGM is being sent through electronic mode to all the Members of the Company whose Email addresses are registered with the Company or Registrar & Share Transfer Agent of the Company or Depository Participant(s).

# Mangalam Drugs and Organics Limited



Regd. Office : Rupam Building, 3rd Floor, 239 P. D'Mello Road, Near G. P. O. Mumbai - 400 001.

☎ 91-22-62616200 / 6300 / 8787 ☎ 91-22-62619090 • CIN : L24230MH1972PLC116413

We wish to bring to your kind notice the schedule of the 51<sup>st</sup> AGM of the Company for the Financial Year 2023-24 as under:

Particulars	Details
<b>Date of 51<sup>st</sup> AGM</b>	September 26, 2024
<b>Day of 51<sup>st</sup> AGM</b>	Thursday
<b>Time of 51<sup>st</sup> AGM</b>	03:00 P.M. (I.S.T.)
<b>Mode of 51<sup>st</sup> AGM</b>	Video Conferencing / Other Audio-visual Means
<b>Participation through video conferencing</b>	As provided in Notice of 51 <sup>st</sup> AGM
<b>Cut-off date for e-voting</b>	September 19, 2024 (Thursday)
<b>E-Voting start date and time</b>	September 22, 2024 (Sunday) at 09:00 A.M.
<b>E-Voting end date and time</b>	September 25, 2024 (Wednesday) at 05:00 P.M.

The Annual Report including Notice of AGM for the Financial Year 2023-24 is also being made available on the website of the Company at: <https://www.mangalamdrugs.com/investors/> and this is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

We request you to take the above on your record.

Thanking You,  
Yours faithfully

**For and on Behalf of**  
**Mangalam Drugs & Organics Limited**

**Govardhan M. Dhoot**  
**Managing Director**  
**DIN: 01240086**



**MANGALAM DRUGS & ORGANICS LIMITED**

**51<sup>st</sup> ANNUAL  
REPORT**

**2023-2024**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Name Of Directors / KMP	Current Designation	Appointment	Cessation	DIN / PAN
Shri Govardhan Murlidhar Dhoot	Chairman & Managing Director	16/04/1996	N.A.*	01240086
Shri Brijmohan Murlidhar Dhoot	Whole-Time Director	02/05/2015	N.A.	01046420
Shri Rukmesh Prabhukumar Dhandhanania	Independent Director	20/11/2017	N.A.	02493968
Smt. Nidhi Shantanu Mundada	Independent Director	28/05/2018 (1 <sup>st</sup> Term) 30/04/2023 (2 <sup>nd</sup> Term)	N.A.	08134952
Shri Praveen Saxena	Independent Director	21/03/2021	N.A.	03199264
Shri Rakesh Kishinchand Milwani	Non-Executive Director & Non-Independent Director	10/03/2022	N.A.	01115469
Mr. Ajay Avinash Samant	Chief Financial Officer	31/10/2014	N.A.	ATSPS1380A
Ms. Anuradha Pandey	Company Secretary	08/07/2024	N.A.	COLPP4763C

\* N.A. – Not Applicable

### AUDITORS

Sr. No.	Particulars of Details	Statutory Auditor	Internal Auditor	Secretarial Auditor	Cost Auditor
1.	Name	V. S. Somani & Co., Chartered Accountants	Bipin Zavar & Associates	Ms. Rakhi Dasgupta	Rampurawala Mohammed A & Co
2.	FRN / M. No / CP No	117589W	121523W	A28739	003011
3.	Date of Appointment	September 24, 2021	May 30, 2023	May 21, 2024	May 21, 2024
4.	Appointed in	48th Annual General Meeting	Board Meeting	Board Meeting	Board Meeting
5.	Tenure	5 Years	1 Year	1 Year	1 Year

### OFFICE DETAILS

Registered Office	Unit 1	Unit 2
Rupam Building, 3 <sup>rd</sup> Floor, 239, P. D' Mello Road, Near G.P.O., Mumbai – 400001 Tel No. 91-22-2262616200/6300 Fax No. 91-22-62619090 E-Mail: <a href="mailto:contactus@mangalamdrugs.com">contactus@mangalamdrugs.com</a> Investors E-mail Id: <a href="mailto:investor@mangalamdrugs.com">investor@mangalamdrugs.com</a> Website: <a href="http://www.mangalamdrugs.com">http://www.mangalamdrugs.com</a>	Plot No. 187, GIDC Vapi, Dist. Valsad Gujarat – 396 195	Plot No. 1203, GIDC Vapi, Dist. Valsad, Gujarat – 396 195

### OTHER DETAILS

Bankers	Registrar & Share Transfer Agent
<ul style="list-style-type: none"> <li>State Bank of India</li> <li>Bank of Maharashtra</li> <li>Bank of Baroda</li> </ul>	Link Intime India Private Limited Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Tel No.: 91-22-49186000 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>



## TABLE OF CONTENTS:

Sr. No.	Item	Page No
1.	Notice of 51 <sup>st</sup> Annual General Meeting (AGM)	04
2.	Directors' Report	19
	<b>Annexure – A</b> The statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures	28
	<b>Annexure – B</b> Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.	29
	<b>Annexure – C</b> Secretarial Audit Report (Form MR. 3).	31
	<b>Annexure – D</b> Annual Secretarial Compliance Report.	36
	<b>Annexure – E</b> Management Discussion and Analysis Report	41
	<b>Annexure – F</b> Particulars of Employees & Remuneration of Directors and Key Managerial Personnel	44
	<b>Annexure – G</b> Corporate Governance Report	46
3.	Auditor's Report for the Financial Year 2023-24.	69
4.	Audited Standalone Financial Statements for the Financial Year 2023-24.	77
5.	Audited Consolidated Financial Statements for the Financial Year 2023-24.	125

## TO SHAREHOLDERS

Respected Shareholders,

I would like to present to you the Annual Report for Financial Year 2023-24 of your Company with a quiet sense of pride and deep gratitude. In this report, we intend to share with you the key highlights of your Company's performance during the reported year, some important moments and milestones from our illustrious journey, and our strategic growth levers that will take us to newer heights in the coming years. Reflecting on the past year, 2023 was challenging for the pharmaceutical industry. The sector faced numerous headwinds, including late-stage asset failures, normalization of COVID-19 product revenues, and inflationary pressures. Despite these challenges, Big Pharma continued to invest in technology and innovation.

A widespread APIs portfolio spanning diverse segments coupled with the pursuit of innovation and excellence drives us to consistently deliver world-class products to the pharmaceutical industries. Our unwavering dedication to maintaining the highest standards of Sustainability, Safety and Quality compliance reinforces our position as a trusted player in the pharmaceutical industry. We prioritize customer satisfaction and diligently adhere to regulatory requirements, ensuring that our offerings have a positive impact on the industries we serve. Our dominant position in the industry is a result of a strong backward integration strategy for key raw materials for most of our products. The state-of-the-art manufacturing sites at Vapi are primarily focused on producing advanced intermediates for APIs, in compliance with quality benchmarks. Over the years, we have emerged as one of the preferred partners in the regulated markets, supported by our robust regulatory documentation.

In this landscape of boundless possibilities, we are poised to ascend. We have wide-ranging capabilities spanning APIs, advanced intermediates and contract development and manufacturing. Our foundation is fortified by world-class manufacturing facilities and cutting-edge R&D capabilities, giving us the confidence to boldly step into the future. We also have a strong pipeline of products in various stages of development, opening prospects for new business development. These focused efforts will give us a competitive edge in the ever-evolving pharmaceutical landscape.

Before concluding, I extend my heartfelt gratitude to each stakeholder for their supporting and guiding us in this journey. I express my gratitude to our dedicated employees whose relentless efforts breathe life into our aspirations, propelling us to the forefront of opportunities. I thank the industry bodies and government for the visionary regime which has cultivated an environment for growth and innovation.

**With Best Wishes,  
Sincerely**

Sd/-

**Govardhan M. Dhoot  
Chairperson & Managing Director**



## NOTICE

**NOTICE** is hereby given that the Fifty First (51st) Annual General Meeting (AGM) of the Members of **Mangalam Drugs & Organics Limited ('the Company')** will be held on Thursday, 26th Day of September, 2024 at 03:00 P.M. (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') at the Registered Office of the Company situated at Rupam Building, 3rd Floor, 239 P.D' Mello Road, Near G.P.O. Mumbai – 400001, Maharashtra, India (Deemed Venue) to transact the following businesses:

### **ORDINARY BUSINESS:**

**ITEM NO.: 01: TO CONSIDER AND ADOPT THE STANDALONE AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS' AND AUDITOR'S THEREON.**

"**RESOLVED THAT** the Audited Financial Statements of the Company along with the Reports of the Directors and Auditors thereon for the financial year ended on March 31, 2024, along with Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

**ITEM NO.: 02: TO APPOINT A DIRECTOR IN PLACE OF SHRI RAKESH KISHINCHAND MILWANI (DIN: 01115469) WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.**

"**RESOLVED THAT** Shri. Rakesh Kishinchand Milwani (DIN: 01115469), a Non-Executive & Non-Independent Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."

### **SPECIAL BUSINESSES:**

**ITEM NO.: 03: TO APPROVE THE RE-APPOINTMENT OF SHRI GOVARDHAN M. DHOOT, MANAGING DIRECTOR OF THE COMPANY FOR ANOTHER TERM OF 3 YEARS W.E.F. 01ST NOVEMBER 2024 TILL 31ST OCTOBER 2027:**

To consider and, if thought fit, to pass, the following resolution as **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and Audit Committee and Board of Directors of the Company and subject to such approval(s), permission(s) and sanction(s) of appropriate and / or concerned authorities, the consent of the members of the Company be and is hereby accorded to re-appoint, Shri Govardhan M. Dhoot as a Managing Director of the Company for a period of Three (3) years w.e.f. November 01, 2024 upon the terms and conditions as set out in explanatory statement forming part of this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the him and Board of Directors;

"**RESOLVED FURTHER THAT** the office of Managing Director shall be liable to retire by rotation, provided that if he vacates office by retirement by rotation under the provisions of the Companies Act, 2013 at any Annual General Meeting and is re-appointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be the Managing Director;

**RESOLVED FURTHER THAT** subject to recommendation of Nomination & Remuneration Committee, Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment, including increase/revision in remuneration of Shri Govardhan M. Dhoot, from time to time, during his tenure as Managing Director, provided that such increase / revision in remuneration does not exceed the limits prescribed under the Act and/or Listing Regulations and/or as approved by the members in terms of the foregoing resolution.

"**RESOLVED FURTHER THAT** subject to such approvals, consents and permission as may be required, even in the event of loss or inadequacy of net profits in any financial year, the Company pays Shri Govardhan M. Dhoot, remuneration by way of salary, perquisites and allowances as set out in Explanatory Statement as Minimum Remuneration.

"**RESOLVED FURTHER THAT** the Board of Directors and / or the Chief Financial Officer and / or the Company Secretary be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all acts, deeds, matters and things as may be required for the purpose of giving effect to this Resolution and to do all things incidental and ancillary there to."

**ITEM NO.: 04: TO APPROVE THE RE-APPOINTMENT OF SHRI BRIJMOHAN M. DHOOT, WHOLE TIME DIRECTOR OF THE COMPANY FOR ANOTHER TERM OF 3 YEARS W.E.F. 14TH AUGUST 2024 TILL 13TH AUGUST 2027:**

To consider and, if thought fit, to pass, the following resolution as **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing

Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and Audit Committee and Board of Directors of the Company and subject to such approval(s), permission(s) and sanction(s) of appropriate and / or concerned authorities, the consent of the members of the Company be and is hereby accorded to re-appoint, Shri Brijmohan M. Dhoot as a Whole Time Director of the Company for a period of Three (3) years w.e.f. August 14, 2024 upon the terms and conditions as set out in explanatory statement forming part of this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the him and Board of Directors;

**"RESOLVED FURTHER THAT** the office of whole Time Director shall be liable to retire by rotation, provided that if he vacates office by retirement by rotation under the provisions of the Companies Act, 2013 at any Annual General Meeting and is re-appointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be the Whole Time Director;

**"RESOLVED FURTHER THAT** subject to recommendation of Nomination & Remuneration Committee, Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment, including increase/revision in remuneration of Shri Brijmohan M. Dhoot, from time to time, during his tenure as Whole Time Director, provided that such increase / revision in remuneration does not exceed the limits prescribed under the Act and/or Listing Regulations and/or as approved by the members in terms of the foregoing resolution;

**"RESOLVED FURTHER THAT** subject to such approvals, consents and permission as may be required, even in the event of loss or inadequacy of net profits in any financial year, the Company pays Shri Brijmohan M. Dhoot, remuneration by way of salary, perquisites and allowances as set out in Explanatory Statement as Minimum Remuneration;

**"RESOLVED FURTHER THAT** the Board of Directors and / or the Chief Financial Officer and / or the Company Secretary be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all acts, deeds, matters and things as may be required for the purpose of giving effect to this Resolution and to do all things incidental and ancillary thereto."

**ITEM NO.: 05: TO RATIFY REMUNERATION PAYABLE TO RAMPURAWALA MOHAMMED A & CO. - COST ACCOUNTANTS, THE COST AUDITORS OF THE COMPANY FOR FINANCIAL YEAR 2024-25:**

To consider and, if thought fit, to pass, the following resolution as ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read together with the Companies (Cost Records and Audit) Rules, 2014 / Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force], based on the recommendations of the Audit Committee, the remuneration of Rs. 1,10,000 (Rupees One Lakh Ten Thousand Only) excluding applicable taxes in addition to out-of-pocket expenses payable to M/s. Rampurawala Mohammed A & Co – Practicing Cost Accountants (Membership No: 32100) appointed by the Board of Directors for conducting Cost Audit relating to cost records of the Company for the Financial Year 2024-25 be and is hereby ratified;

**"RESOLVED FURTHER THAT** the Board of Directors and / or the Chief Financial Officer and / or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office**

Rupam Building, 3<sup>rd</sup> Floor, 239 P.D' Mello Road,  
Near G.P.O. Mumbai – 400001, Maharashtra, India.  
CIN: L24230MH1972PLC116413

**By order of the Board**

**For Mangalam Drugs & Organics Limited**

**Place : Mumbai**

**Date : 13<sup>th</sup> August, 2024**

Sd/-

**Anuradha Pandey  
Company Secretary  
M. No.: A72902**





**NOTES:**

1. The Ministry of Corporate Affairs ('MCA'), Government of India ("MCA") vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, followed by General Circular No 20/2020 dated May 05, 2020, General Circular No 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2024. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated 07.10.2023 ("SEBI Circular") has extended the relaxations from printing and dispatching of Physical Copies of Annual Reports and to conduct the AGMs through VC/ OAVM till September 30, 2024. However, in terms of Regulation 36(1)(c) of LODR Regulations, Company is required to send hard copy of full Annual Report to those shareholders who request for the same.

In compliance with the provisions of the Companies Act, 2013 read with MCA Circulars and Listing Regulations, the Fifty First AGM of the Company will be held through VC/OAVM, which does not require physical presence of members at a common venue. The deemed venue for the Fifty First AGM shall be the Registered Office of the Company i.e., Rupam Building, 3rd Floor, 239 P.D' Mello Road, Near G.P.O. Mumbai – 400001, Maharashtra, India. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto. Also, the Members are requested to attend the AGM from their respective locations by VC / OAVM and do not visit the registered office to attend the AGM.

2. In line with the MCA Circulars and SEBI Circulars, the Notice calling the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories. The Notice can also be accessed from the websites of the Company at [www.mangalamdrugs.com](http://www.mangalamdrugs.com) and NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsd.com](http://www.evoting.nsd.com). Printed copy of the Annual Report (including the Notice) is not being sent to the Members in view of the MCA Circulars and SEBI Circulars.
3. Pursuant to the provisions of the Act, a member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM, the physical attendance has been dispensed with. Accordingly, the facility for appointment of proxies by the members to attend and cast vote is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. Mr. Mustafa Bohra, Proprietor of M/s. Mustafa Bohra & Associates, Practicing Company Secretary (Membership No. ACS 61727) has been appointed as the scrutinizer to scrutinise the E-voting process in a fair and transparent manner.
5. Institutional investors, who are members of the Company, are encouraged to attend the AGM of the Company through VC / OAVM mode and vote electronically. Corporate members are required to send a scanned copy (PDF / JPG Format) of the Board Resolution/ Power of Attorney authorizing its representatives to attend and vote at the AGM through VC / OAVM on its behalf pursuant to Section 113 of the Act. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered Email address to [mustafa@asdt.in](mailto:mustafa@asdt.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. A statement pursuant to Section 102 (1) of the Companies Act, 2013 ('the Act') setting out the material facts concerning each item of special business set out in the Notice is annexed hereto.
8. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. The detailed instructions for joining the Meeting through VC / OAVM form part of the Notes to this Notice.
9. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations and MCA Circulars, the Company is providing facility of remote E-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with **National Securities Depository Limited** (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
11. The electronic copies of all documents which are referred to in this Notice but not attached to it will be made available for inspection. For inspection, the Members are requested to send a request through an e-mail on [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com) in with Depository participant ID and Client ID or Folio number.

12. Electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the Members on request by sending an E-mail on [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com) in with Depository participant ID and Client ID or Folio number.
13. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Private Limited at the below-mentioned address. Members holding shares in Electronic Form may contact their respective Depository Participants for availing this facility
14. The Company's Registrar & Transfer Agent for its share registry (both, physical as well as electronic) is Link Intime India Private Limited ('R&TA') having its office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai – 400083.
15. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered E-mail address mentioning their names, DP ID and Client ID / folio number, PAN and mobile number at [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com) between Friday, September 06, 2024 (09.00 A.M. IST) to Thursday, September 19, 2024 (5.00 p.m. IST). Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
16. The Members desiring any information relating to the accounts or have any questions, are requested to write to the Company on [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com) at least Ten days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide it at the AGM. Provided that the information to be provided shall be within four corners of the law and shall be provided that is permissible under law.
17. The remote e-voting period begins on Sunday, September 22, 2024 at 09:00 A.M. and ends on Wednesday, September 25, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Thursday, September 19, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 19, 2024.
18. Process for those members whose Email IDs are not registered: The Members who have not registered their E-mail addresses are requested to register them with the Company to receive e-communication from the Company. For registering E-mail Address, the Members are requested to follow the below steps:
  - A. Members holding shares in Physical Mode are requested to provide name, folio number, mobile number, e-mail address, scanned copies of share certificate(s) (both sides), self-attested PAN and AADHAR Card through E-mail on [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com).
  - B. Members holding shares in Dematerialized Mode are requested to provide name, Depository participant ID and Client ID, mobile number, E-mail address, scanned copies of self-attested client master or Consolidated Account statement through E-mail on [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com).




19. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND HOW TO ATTEND THE AGM THROUGH VC/OAVM ARE AS UNDER:**

The members of the Company shall be able to access NSDL E voting System and Cast Vote and join AGM through through VC / OAVM by following 3 steps

Sr. No.	Step No	Particulars of Steps
1.	Step No 1	Access to NSDL e-Voting system <ol style="list-style-type: none"> <li>a. Login Method for e-Voting and joining Virtual Meetings for Individual Shareholders Holding securities in Demat mode               <ul style="list-style-type: none"> <li>➤ Individual Shareholders holding securities in Demat mode with NSDL.</li> <li>➤ Individual Shareholders holding securities in Demat mode with CDSL.</li> <li>➤ Individual Shareholders (holding securities in Demat mode) login through their Depository Participants</li> </ul> </li> <li>b. Login Method for e-Voting and joining virtual meetings for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode</li> </ol>
2.	Step No 2	Cast your vote electronically on NSDL e-Voting system
3.	Step No 3	Attending the AGM through VC/OAVM

**1. Step 1: Access to NSDL e-Voting system:**

- a. Login Method for e-Voting and joining Virtual Meetings for Individual Shareholders Holding securities in Demat mode**  
 In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility..

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your Sixteen Digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, can login through their user id and password. The option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the E-voting is in progress as per the information provided by the company. On clicking the E-voting option, the user will be able to see E-voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> </ol>

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login & New System Myeasi Tab and then click on registration option.
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**IMPORTANT NOTE:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL:**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**IMPORTANT NOTE:**

- b. Login Method for e-Voting and joining virtual meetings for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode:

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares in	Your User ID is:
Demat with NSDL.	8 Character DP ID followed by 8 Digit Client ID For Example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
Demat with CDSL.	16 Digit Beneficiary ID For Example, if your Beneficiary ID is 12***** then your user ID is 12*****
Physical Form.	EVEN Number followed by Folio Number registered with the company For Example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:

Particulars	Details
If you are already registered for e-Voting	You can use your existing password to login and cast your vote
If you are using NSDL e-Voting system for the first time	you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
<b>How to retrieve your 'initial password'</b>	
If you are using NSDL e-Voting system for the first time and if your email ID is registered in your Demat account or with the company	Your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'
If your email ID is not registered	Please follow process as set up in Point No 29
If you are unable to retrieve or have not received the "Initial password" or have forgotten your password	
<ul style="list-style-type: none"> <li>• Click on "Forgot User Details/Password?" (If you are holding shares in your Demat account with NSDL or CDSL) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>.</li> <li>• Physical User Reset Password?" (If you are holding shares in physical mode) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a></li> <li>• If you are still unable to get the password by aforesaid two options, you can send a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> mentioning your Demat account number/folio number, your PAN, your name and your registered address etc.</li> <li>• Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.</li> </ul>	

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button
- After you click on the "Login" button, home page of e-Voting will open

#### **STEP 2: Cast your vote electronically on NSDL e-Voting system:**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

#### **STEP 3: Attending the AGM through VC/OAVM:**

1. Member will be provided with a facility to attend the EGM / AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name Demat Account number / folio number, email id, mobile number at [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com). The same will be replied by the company suitably.
20. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF EMAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**
- In case shares are held in Physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com).
  - In case shares are held in Demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com). If you are an Individual shareholder holding securities in Demat mode, you are requested to refer to the login method explained above i.e., Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode.
  - Alternatively, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) with documents or information as mentioned above for procuring user id and password for e-voting. Provided that the total of all scanned PDF file (Scanned Copy of PAN, Scanned Copy of AADHAR and Scanned Copy of share certificate) should not exceed 2 MB.
  - In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their Demat account to access e-Voting facility.
21. **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting

**Registered Office**

Rupam Building, 3<sup>rd</sup> Floor, 239 P.D' Mello Road,  
Near G.P.O. Mumbai – 400001, Maharashtra, India.  
CIN: L24230MH1972PLC116413

**By order of the Board**

**For Mangalam Drugs & Organics Limited**

**Place : Mumbai**

**Date : 13<sup>th</sup> August, 2024**

Sd/-

**Anuradha Pandey**  
**Company Secretary**  
**M. No.: A72902**



## **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 03:**

It is informed that the Members of the Company at the 48th Annual General Meeting of the Company held on September 24, 2021, had approved the re-appointment of Shri Govardhan M. Dhoot, as Chairman & Managing Director of the Company, liable to retire by rotation for a term of 3 years till October 31, 2024. The impressive performance of the Company under Shri Govardhan M. Dhoot's leadership reflects a cohesive strategy, innovative thinking, and effective execution. His vision and guidance have undoubtedly played a crucial role in steering the Company towards success amidst ever-changing market dynamics. Basis this, Nomination and Remuneration Committee and the Board of Directors at their meetings held on August 13, 2024 have recommended approval of re-appointment of Shri Govardhan M. Dhoot as the Chairman and Managing Director of the Company for a further period of 3 years i.e. from November 01, 2024 to October 31, 2027 on the terms and conditions including remuneration, as contained mentioned below.

The main terms and conditions relating to the re-appointment and terms of remuneration Shri Govardhan M. Dhoot as Managing Director are as follows:

1. Tenure: For a period of 3 years i.e., from November 01, 2024, to October 31, 2027.
2. Nature of Duties: The Managing Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control, and directions of the Board in connection with and in the best interests of the business of the Company.
3. Remuneration: The Managing Director shall be entitled to remuneration as stated here under:
4. Basic Salary: 20,00,000/- Per Annum to a maximum of 40,00,000/- Per Annum, with authority to the Board or a Committee thereof to fix his Basic Salary within the said Maximum amount Provided that annual increment shall be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ('NRC'). The recommendation of NRC will be based on Company performance and individual performance.
  - A. Benefits, perquisites, and allowances: Benefits, Perquisites and Allowances as may be determined by the Board from time to time over and above the Basic Salary.
  - B. Minimum Remuneration: Notwithstanding anything to the contrary here in contained where in any Financial Year during the currency of the tenure of Managing Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Benefits, Perquisites, Allowances and Incentive Remuneration as specified above within the Limits allowed under the Companies Act, 2013 read with Schedule V of the said Act.
  - C. Termination:
    - The appointment may be terminated earlier, without any cause by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.
    - The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:
      - o If the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company to which he is required by the Agreement to render services;
      - o In the event of any serious or repeated or continuing breach (after prior warning) or non-observance by Managing Director of any of the stipulations contained in the Agreement; or
      - o In the event the Board expresses its loss of confidence in the Managing Director
    - In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances. If and when this Agreement expires or is terminated for any reason whatsoever, Shri Govardhan M. Dhoot will cease to be the Managing Director but shall not be ceased to be a Director of the Company. If at any time, Shri Govardhan M. Dhoot ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director, and this Agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company
5. Policies: All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Managing Director unless specifically provided otherwise.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

Sr. No.	Particulars	Information																												
<b>I. General Information</b>																														
1)	Nature of Industry	Mangalam Drugs & Organics Limited is one of the leading API manufacturing Company in India with a WHO-Geneva GMP, EDQM approval for its facilities. The Company is engaged in the manufacturing of APIs and Intermediates since over 5 decades and in an agreement with the prestigious Clinton Health Access Initiatives (CHAI) under its Fight Malaria Program for supply of anti-malarial APIs worldwide. Mangalam stand as a strong source of supply to Ajanta Pharma, Cipla, Mylan, Macleods, Dr. Reddys and Emcure to name a few Indian MNCs. The Company also enjoys a global presence for its products in many countries inter-alia Italy, Russia, China, Turkey, Nigeria, Uganda, Kenya and Pakistan.																												
2)	Date or expected date of commencement of commercial production.	The Company is an existing Company and carrying on business for last about more than 50 years.																												
3)	In case of a new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																												
4)	Financial Performance based on given indicators.	₹ in Lakhs																												
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>March 2022</th> <th>March 2023</th> <th>March 2024</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td>1,582.82</td> <td>1,582.82</td> <td>1,582.82</td> </tr> <tr> <td>Reserves &amp; Surplus</td> <td>13,473.32</td> <td>13,612.80</td> <td>12651.95</td> </tr> <tr> <td>Total Income</td> <td>45,115.78</td> <td>37,268.85</td> <td>36869.27</td> </tr> <tr> <td>Total Expense</td> <td>42,342.48</td> <td>37,047.47</td> <td>37975.01</td> </tr> <tr> <td>Profit before Tax</td> <td>2,773.29</td> <td>221.38</td> <td>-1105.74</td> </tr> <tr> <td>Profit after Tax</td> <td>139.48</td> <td>1,977.54</td> <td>-960.86</td> </tr> </tbody> </table>	Particulars	March 2022	March 2023	March 2024	Share Capital	1,582.82	1,582.82	1,582.82	Reserves & Surplus	13,473.32	13,612.80	12651.95	Total Income	45,115.78	37,268.85	36869.27	Total Expense	42,342.48	37,047.47	37975.01	Profit before Tax	2,773.29	221.38	-1105.74	Profit after Tax	139.48	1,977.54	-960.86
Particulars	March 2022	March 2023	March 2024																											
Share Capital	1,582.82	1,582.82	1,582.82																											
Reserves & Surplus	13,473.32	13,612.80	12651.95																											
Total Income	45,115.78	37,268.85	36869.27																											
Total Expense	42,342.48	37,047.47	37975.01																											
Profit before Tax	2,773.29	221.38	-1105.74																											
Profit after Tax	139.48	1,977.54	-960.86																											
5)	Foreign investments or collaborators, if any	No																												
<b>II. Information about Shri Govardhan M. Dhoot (DIN: 01240086)</b>																														
1)	Background details	Shri Govardhan M. Dhoot has over four decades of experience in the Chemical & Pharma Industry, handling marketing in both domestic and export markets. He has traveled to many countries and visited important industrial & commercial capitals all over the world. He has been the Whole-time Director of the Company effective November 1, 2004, currently he is the Chairman & Managing Director of the Company..																												
2)	Past Remuneration	Shri Govardhan M. Dhoot was re-appointed as a Chairman & Managing Director w.e.f. November 1, 2019, till October 31, 2024, at a remuneration of Rs. 20,00,000/- plus perquisites/ other benefits.																												
3)	Job profile & his suitability	Shri Govardhan M. Dhoot, as the Managing Director of the Company, functions under the overall superintendence and guidance of the Board. In view of his qualifications and varied experience, the Board has bestowed the responsibilities on Shri Govardhan M. Dhoot.																												
4)	Remuneration w.e.f. November 1, 2024, for a period of 3 years	As mentioned herein above																												





Sr. No.	Particulars	Information
5)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be W.R.T. the country of his origin)	Considering the general industry trend, the specific Company profile, skills, knowledge, vast business experience and responsibilities shouldered by Shri Govardhan M. Dhoot,
6)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel and other directors.	<p>Shri Govardhan M. Dhoot does not have any pecuniary relationship, directly or indirectly, with the Company except drawing remuneration and rent deposit mentioned in AS 18 forms part of Financial Statements for period ended 31st March 2024.</p> <p>Shri Govardhan M. Dhoot is the brother of Shri Brijmohan M. Dhoot.</p> <p>Shri Govardhan M. Dhoot holds 5,11,792 Equity Shares of the Company as on date of notice and 31st March 2024.</p>
7)	Termination Clause	As mentioned herein above

Shri Govardhan M. Dhoot satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his re-appointment. Shri Govardhan M. Dhoot is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. Shri Govardhan M. Dhoot is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (“SEBI”) or any other authority and has given all the necessary declarations and confirmation including his consent to be re-appointed as a Chairman and Managing Director of the Company. Further, the Company has received a notice from a Member under Section 160 of the Act proposing the re-appointment of Shri Govardhan M. Dhoot as the Chairman and Managing Director.

Shri Govardhan M. Dhoot possesses the core skills/expertise/competencies identified in the Company’s business and sectors for it to function effectively. Details of the skills possessed by him form part of the Corporate Governance Report. The Board is of the view that Shri Govardhan M. Dhoot knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of NRC, recommends his appointment to the Members by passing Special Resolution at Item No. 03 of the Notice.

Save and except Shri Govardhan M. Dhoot, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 03 of the Notice. Shri Govardhan M. Dhoot is not related to any other Director/ KMP of the Company except Shri Brijmohan M. Dhoot.

Details pursuant to Regulations 36(3) of the Listing Regulations and Disclosures as required under SS-2 on General Meetings are provided as an Annexure to this Notice.

**ITEM NO. 04:**

It is informed that the Members of the Company at the 48th Annual General Meeting of the Company held on September 24, 2021, had approved the re-appointment of Shri Brijmohan M. Dhoot, Whole Time Director of the Company, liable to retire by rotation for a term of 3 years till August 13, 2024. Shri Brijmohan M. Dhoot is responsible for providing business direction, market direction and strategic vision to drive the Company’s performance. Having regard to his immense expertise, knowledge and experience, the Nomination and Remuneration Committee and the Board of Directors at their meetings held on August 13, 2024 have recommended approval of re-appointment of Shri Brijmohan M. Dhoot as Whole Time Director of the Company for a further period of 3 years i.e. from August 14, 2024 to August 13, 2027 on the terms and conditions including remuneration, as contained mentioned below.

The main terms and conditions relating to the re-appointment and terms of remuneration Shri Brijmohan M. Dhoot as Whole Time Director are as follows:

1. Tenure: For a period of 3 years i.e., from August 14, 2024 to August 13, 2027.
2. Nature of Duties: The Whole Time Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

3. Remuneration: The Whole Time Director shall be titled to remuneration as stated here under:
4. Basic Salary: 6,00,000 /- Per Annum with authority to the Board or a Committee thereof to fix his Basic Salary within the said Maximum amount Provided that annual increment shall be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ('NRC'). The recommendation of NRC will be based on Company performance and individual performance.
- D. Benefits, perquisites, and allowances: Benefits, Perquisites and Allowances as may be determined by the Board from time to time over and above the Basic Salary.
- E. Minimum Remuneration: Notwithstanding anything to the contrary here in contained where in any Financial Year during the currency of the tenure of Whole Time Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Benefits, Perquisites, Allowances and Incentive Remuneration as specified above within the Limits allowed under the Companies Act, 2013 read with Schedule V of the said Act.
- F. Termination:
- The appointment may be terminated earlier, without any cause by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus / Performance Linked Incentive / Commission (paid at the discretion of the Board), in lieu of such notice.
  - The employment of the Whole Time Director may be terminated by the Company without notice or payment in lieu of notice:
    - o If the Whole Time Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company to which he is required by the Agreement to render services;
    - o In the event of any serious or repeated or continuing breach (after prior warning) or non-observance by Whole Time Director of any of the stipulations contained in the Agreement; or
    - o In the event the Board expresses its loss of confidence in the Managing Director
  - In the event the Whole Time Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances. If and when this Agreement expires or is terminated for any reason whatsoever, Shri Brijmohan M. Dhoot will cease to be the Whole Time Director but shall not be ceased to be a Director of the Company. If at any time, Shri Brijmohan M. Dhoot ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Whole Time Director, and this Agreement shall forthwith terminate. If at any time, the Whole-Time Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Whole Time Director of the Company
5. Policies: All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Whole Time Director unless specifically provided otherwise.

**ITEM NO. 05:**

Pursuant to provision of section 148 of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s), amendment(s) or re-enactment(s) thereof] and on recommendation of the Audit Committee, Board of Directors at their meeting held on May 21, 2024 has approved appointment of M/s. Rampurawala Mohammed A & Co. - Cost Accountant (Membership No: 32100) as the Cost Auditor to conduct the cost audit of cost records of the Company for the Financial Year 2024-25 on the remuneration of Rs. 1,10,000 (Rupees One Lakh Ten Thousand Only) excluding applicable taxes in addition to out-of-pocket expenses.

As per the afore-said rules, the remuneration payable to Cost Auditor is required to be ratified by the members of the Company. Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at Item No. 05 of the Notice for ratification of the remuneration payable to the Cost Auditors to conduct audit of the Cost Records of the Company for the Financial Year ending March 31, 2025.

The Board commends passing of the resolution set out in Item No. 05 of accompanying Notice.

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. 05 of the Notice.



Details pursuant to Regulations 36 (3) of the Listing Regulations and Disclosures as required under SS-2 on General Meetings in respect of Directors seeking appointment/reappointment.

**BRIEF RESUME OF DIRECTOR/S SEEKING APPOINTMENT / RE-APPOINTMENT**

Pursuant to provisions of SEBI (LODR) Regulations and Secretarial Standards on General Meetings, relevant particulars of Directors seeking appointment / re-appointment as this AGM are given here below:

Particulars	Shri Govardhan M. Dhoot	Shri Brijmohan M. Dhoot	Shri Rakesh K. Milwani
DIN	01240086	01046420	01115469
Date of Birth	21/10/1953	10/07/1951	11/10/1961
Date of appointment on Board	16/04/1996	02/05/2015	10/03/2022
Current Designation	Chairman & Managing Director	Whole-Time Director	Non-Executive Director & Non-Independent Director
Nationality	Indian	Indian	Indian
Qualification	Commerce Background	Commerce Background	Chartered Accountant and possess bachelor's degree of Commerce and bachelor's degree of Law.
Experience including Expertise in specific functional areas	He has been Director of the Company effective November 1, 2004. He has over four decades of experience in the Chemical industry, handling marketing in both domestic and export markets. He has travelled to many countries and visited important industrial commercial capitals all over the world.	He has more than forty years of experience in the Chemical & Pharma Industry. He has vast knowledge and varied experience which is of great value to the Company.	He has experience of over 37 years as a Practicing Chartered Accountant enriching himself with expertise in Financial Services.
List of Directorships held in Other Companies (Excluding Foreign, Private and Section 8 Companies)	Nil	Nil	Nil
Memberships / Chairmanships of Audit and Stakeholders' Relationships Committees across Public Companies	Member in Audit and Stakeholders' Relationships Committee of Mangalam Drugs & Organics Limited.  Chairman - Nil	Member in Stakeholders' Relationships Committee of Mangalam Drugs & Organics Limited.  Chairman – Nil	Nil
Relationship between the Directors inter-se	Borther of Shri Brijmohan M. Dhoot	Borther of Shri Govardhan M. Dhoot	No relation
Listed entities from which the person has resigned during the last three years	Nil	Nil	Nil
Terms and Conditions of Reappointment	As mentioned herein above	As mentioned herein above	Nil
Details of remuneration (Last remuneration drawn & remuneration proposed to be paid)	As mentioned herein above	As mentioned herein above	Nil
Number of Board Meetings attended during FY 2023-24	6	6	6

Particulars	Shri Govardhan M. Dhoot	Shri Brijmohan M. Dhoot	Shri Rakesh K. Milwani
Shareholding in the Company including shareholding as a beneficial owner as on Date of Notice	5,11,792 Shri Govardhan M. Dhoot is acting as Significant beneficial owner of Govardhan Murlidhar Dhoot HUF and Shri JB Pharma Private limited formerly known as Shri JB Pharma LLP.	4,86,996 Shri Brijmohan M. Dhoot is acting as Significant beneficial owner of Brijmohan Murlidhar Dhoot HUF.	Nil

**Registered Office**

Rupam Building, 3<sup>rd</sup> Floor, 239 P.D' Mello Road,  
Near G.P.O. Mumbai – 400001, Maharashtra, India.  
CIN: L24230MH1972PLC116413

**By order of the Board**

**For Mangalam Drugs & Organics Limited**

Place : Mumbai

Date : 13<sup>th</sup> August, 2024

Sd/-

**Anuradha Pandey**  
**Company Secretary**  
**M. No.: A72902**



## DIRECTORS' REPORT

To,  
The Members of  
Mangalam Drugs & Organics Limited ('Company')

Your directors (hereinafter referred to as the Board) have pleasure in presenting the 51st (Fifty First Annual Report) Annual Report of the Company including Audited Financial Statements for the Financial Year ended March 31, 2024.

### 1. FINANCIALS:

#### A. FINANCIAL RESULTS AND HIGHLIGHTS OF PERFORMANCE:

The Standalone Financial Performance of the Company for the year ended March 31, 2024, in comparison with previous year is summarized below:

(Figures – ₹ in Lakhs)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Operational & Other Income	36869.27	37,225.29
Total Expenses including Interest Expense and Depreciation and Amortization Expense	(37975.01)	(37,047.47)
Profit before exceptional items and tax	(1105.74)	221.38
Prior period items	NIL	NIL
Exceptional Items	NIL	NIL
Provision for diminution in the value of investments	NIL	NIL
<b>Profit before tax</b>	<b>(1105.74)</b>	<b>221.38</b>
Tax Expense	(200.85)	94.38
<b>Profit after tax</b>	<b>(904.89)</b>	<b>127.00</b>
<b>Total comprehensive income</b>	<b>(960.86)</b>	<b>139.48</b>
<b>Earnings Per Share (In Rs.) (Basic Diluted)</b>	<b>(5.72)</b>	<b>0.80</b>

The Consolidated Financial Performance of the Company for the year ended March 31, 2024 in comparison with previous year is summarized below:

(Figures – ₹ in Lakhs)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Operational & Other Income	36859.48	
Total Expenses including Interest Expense and Depreciation and Amortization Expense	37976.60	
Profit before exceptional items and tax	(1107.32)	
Prior period items	NIL	
Exceptional Items	NIL	
Provision for diminution in the value of investments	NIL	Not Applicable
<b>Profit before tax</b>	<b>(1107.32)</b>	
Tax Expense	(200.15)	
<b>Profit after tax</b>	<b>(907.17)</b>	
<b>Total comprehensive income</b>	<b>(963.14)</b>	
<b>Earnings Per Share (In Rs.) (Basic Diluted)</b>	<b>(5.73)</b>	

Mangalam Laboratories Private Limited has become wholly owned subsidiary of the Company on September 30, 2024, and therefore the consolidation of financials is applicable for Financial Year 2024.

#### B. OPERATIONS OF THE COMPANY / COMPANY PERFORMANCE:

During the Financial Year under report, the Company registered a total revenue from operations of Rs. 36,869.27 Lakhs as against Rs. 37,225.29 Lakhs in the previous year & registered an economic decline of 0.95 % over the previous year. The operational performance has resulted into decreased profitability of Rs. (904.89) Lakhs as compared to the previous year of Rs. 127.00 Lakhs.

Further, there has been no change in business during the year under review.

#### C. HIT ON PAT AND FUTURE OUTLOOK:

During the Financial Year 2023-24, the PAT Margin of the Company was declined because of following reasons numerated below:

- a. R & D Cost: Sulfadoxine is the latest API in the treatment of Malaria and will be soon a major product for manufacturing for treatment of Malaria. The Company has developed this product in-house and made it commercially viable after a lot of R & D work.
- b. High Manpower Cost: During Quarter 2 of Financial Year 2024, the Company has given increment to employees as an object to retain good talent which has resulted in higher manpower cost.
- c. High Power & Fuel Cost: Power and fuel costs also increased further thereby hitting at bottom-line of the Company.

The Company has taken various steps to improve its PAT margins for the coming Financial Years. Some of the key steps are as follows:

- a. Reduced Revenue Concentration: Sales of Anti-Inflammatory and Anti-Hypertensive products have showcased positive trends, contributing to a more diversified revenue stream.

Also, the Sulfadoxine holds immense potential for the company and has shown commercial viability in the current year and the Company has managed to reduce the per unit Raw Material Cost of Sulfadoxine. Hence this product will not only help us to boost our top line but also improve our bottom line in these coming years. We plan to increase the production capacity of the same.

- b. Strengthening Raw Material Sourcing thereby setting up an In-House Manufacturing of Critical APIs: The Company has taken significant steps to reduce its dependency on Chinese imports, particularly during the Covid crisis, when the supply of certain key raw materials faced disruptions. To enhance its supply chain stability and mitigate risks associated with reliance on foreign sources, the company strategically invested in establishing an in-house manufacturing facility for Lumefantrine and Sulfadoxine. Lumefantrine and Sulfadoxine are critical raw materials required in the production of Artemisinin Combination Therapies (ACTs), which are essential for combating malaria effectively. By producing Lumefantrine in-house at its facility in Vapi, the Company has achieved a higher degree of self-sufficiency and reduced its dependence on imports from China. For other raw materials as required, the raw material prices have now been stabilised and the Company has also fixed the rate of contracts for coming few years.

#### D. SHARE CAPITAL:

##### ➤ Authorized Share Capital:

During the year there has been no change in the Authorized Share Capital of the Company. The Company's Authorized Share Capital is Rs. 30,00,00,000/- (Rupees Thirty Crores only) comprising of 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- each.

##### ➤ Issued, Subscribed and Paid-Up Share Capital of the Company:

The Company's paid-up capital is Rs. 15,82,82,480/- (Fifteen Crore Eighty-Two Lakhs Eighty-Two Thousand Four Hundred and Eighty) comprising of 1,58,28,248 (One Crore Fifty-Eight Lakhs Twenty-Eight Thousand Two Hundred and Forty-Eight Only) Equity Shares of Rs. 10/- each fully paid up. The Company's Equity shares are listed on the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Limited (BSE Limited).

There has been no change in paid up share capital of the Company during the Financial Year under review as the Company has not:

- Issued Shares on Rights basis as per provisions of Section 62 of Companies Act, 2013 ('The Act').
- Issued Shares on Private Placement basis as per provisions of Section 42 of the Act.
- Issued Bonus Shares as per provisions of Section 63 of the Act.
- Issued any sweat equity shares as per provisions of Section 54 (1) (d) of the Act.
- Issued any equity shares under Employees Stock Option Scheme as per provisions of Section 62 (1) (b) of the Act; and
- Bought back any shares as per provisions of Section 68 of the Act.

#### E. DIVIDEND:

Considering losses in financial year under review, your directors have not recommended any dividend on Equity Shares for the Financial Year 2023-24.

#### F. TRANSFER TO RESERVES:

The Company has not transferred any amount to Reserves.

#### G. UNPAID DIVIDEND & IEPF:

The Company is not required to transfer any amount to the Investor Education & Protection Fund (IEPF) and does not have an unclaimed dividend which remains to be transferred to Unpaid Dividend Account.

**H. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time (including any amendment thereto or re-enactment thereof for the time being in force), Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of Financial Statements provided in this Annual Report.

**I. DEPOSITS:**

During the year under review, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

**J. LOAN FROM DIRECTORS:**

During the year under review, the Company has not taken any loan from its directors and their relatives.

**2. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATIONS AND JOINT VENTURE COMPANIES:**

During the Financial Year under review, the Company has one Unlisted Wholly owned Owned Subsidiary, Mangalam Laboratories Private Limited, and has no Associate and Joint Venture.

➤ Report on Subsidiary of Company: Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the Financial Statements, highlights of the performance of the subsidiary are furnished in Form AOC -1 is annexed hereto and marked as Annexure - A and forms part of this Report.

➤ Financial Statements of Subsidiary of Company: The details regarding the contribution of the subsidiary to the overall performance of the Company during the Financial Year have been included in the Consolidated Financial Statements of the Company for the Financial Year 2023-24 which is provided in this Annual Report.

Further, the Audited Standalone Financial Statements of the Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company is available on the website of the Company at <https://www.mangalamdrugs.com/investors/>. Members interested in obtaining a copy of the Audited Standalone Financial Statements of the Mangalam Laboratories Private Limited, a Wholly owned owned Subsidiary of the Company may write to the Company at [cs@mangalamdrugs.com](mailto:cs@mangalamdrugs.com)

➤ Policy for Material Subsidiary: In terms of Regulation 16 (1) (c) of Listing Regulations and Company's Policy for Determining Material Subsidiary, Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company is not a material subsidiary of your Company.

➤ Independent Director of Subsidiary of Company: Further, in terms of explanation to Regulation 24(1) of the Listing Regulations, the requirement of appointing an Independent Director of the Company on the board of directors of Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company is currently not applicable.

➤ Functions of Audit Committee for Subsidiary of Company: The Audit Committee reviews the investments made by Mangalam Laboratories Private Limited and the statement of all significant transactions and arrangements entered by Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company. Also, the minutes of board meetings of Mangalam Laboratories Private Limited and detailed presentations on business performance of Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company, are placed before the Board.

➤ Change in Nature of Business of Subsidiary of Company: During the Financial Year under review, there has been no change in the nature of business of the Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company and there were no additions / deletions in the number of Associate Companies, Joint Venture, and subsidiary of your Company as on March 31, 2024.

➤ Remuneration drawn from Subsidiary Company: No director or key managerial personnel has withdrawn remuneration or commission from Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company.

➤ Loan to Subsidiary: During the Financial Year under review, the Company has not provided any loan to its Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company.

➤ Secretarial Audit of Subsidiary of Company: In terms of Regulation 24A of the Listing Regulations, the Secretarial Audit of Mangalam Laboratories Private Limited, a Wholly owned Subsidiary of the Company, is not applicable.

**3. REMUNERATION / COMMISSION DRAWN FROM HOLDING / SUBSIDIARY COMPANY:**

The Company does not have Holding Company and hence the said clause is not applicable. Details pertaining to subsidiary covered herein above.

**4. CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of the Company for Financial Year 2023-24 is attached to this report.

Further, Your Company does not have investment in any Associate / Joint Venture Company as on March 31, 2024.

## 5. DISCLOSURE OF LOANS AND ADVANCES IN NATURE OF LOAN TO SUBSIDIARIES AND ASSOCIATE OF THE COMPANY:

The Company does not have associate as on March 31, 2024.

Further, the company has not provided any loans and advances in nature of Loan to its Wholly owned Owned Subsidiary i.e., Mangalam Laboratories Private Limited.

## 6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A statement containing the necessary information for conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134 (3) (m) of the Act read with rule 8 of Companies (Accounts) Rules, 2014 is annexed to the Annual Report as Annexure – B.

## 7. RELATED PARTY TRANSACTIONS:

### A. THE PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business as part of Company's philosophy of adhering to highest ethical standards, transparency and accountability. These transactions are not likely to have any conflict with the Company's interest.

All Related Party Transactions up to March 31, 2024 were placed before the Audit Committee and the Board for Approval. Also, prior omnibus approval of the Audit Committee was obtained for Related Party Transactions for the Financial Year 2023-24. The transactions entered pursuant to the omnibus approval so granted were audited and a statement giving details of all related party transactions was placed before the Audit Committee for its review on a quarterly basis. The particulars of transactions between the Company and its related parties as per the Accounting Standard-18 are set out in Notes to Accounts in the Annual Report. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website at: [https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Policy-on-Related-Party-Transaction\\_MDOL.pdf](https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Policy-on-Related-Party-Transaction_MDOL.pdf).

### B. DISCLOSURE OF RELATED PARTY TRANSACTION WITH PERSON OR ENTITY BELONGING TO PROMOTER & PROMOTER GROUP:

During the year under review, the Company has not made any transaction with person to Promoter & Promoter Group that hold 10% or more shareholding of the Company except the Company has received rent from Shri JB Pharma Private Limited (Formerly known as Shri JB Pharma LLP). Also, the Board of Directors of the Company in its meeting held on 18th June 2024 has approved the Scheme of Merger by Absorption of Mangalam Laboratories Private Limited ("MLPL" or "First Transferor Company") and Shri JB Pharma Private Limited (Formerly known as Shri JB Pharma LLP) ("SJPPL" or "Second Transferor Company") with Mangalam Drugs and Organics Limited ("MDOL" or "Transferee Company"). The Company is yet to receive No Objection Certificates from both the Exchanges as per Regulation 37 of Listing Regulations as on date of report.

## 8. MATTERS RELATED TO INDEPENDENT DIRECTORS:

### A. DECLARATIONS BY INDEPENDENT DIRECTORS:

The independent directors have submitted the Declaration of Independence, as required pursuant to section 149 (7) of the Companies Act, 2013 and Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided in sub-section (6). There has been no change in the circumstances, which has affected their status as independent director. Further, they also declared that they have complied with Rule 6 (1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 with respect to the inclusion of name in the data bank created by the Indian Institute of Corporate Affairs.

### B. EVALUATION BY INDEPENDENT DIRECTOR:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Director has carried out annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder relationship Committees. The way the evaluation has been carried out has been explained in the Corporate Governance Report.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director. The same was discussed in the Board meeting at which the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

### C. OPINION OF BOARD OF DIRECTORS PERTAINING TO INDEPENDENT DIRECTORS OF THE COMPANY:

In the opinion of the Board of Directors, all the independent directors on the Board of the Company are independent of the management and complies with criteria of Independent Director as submitted by them under Companies Act, 2013 and under Securities and Exchange





Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. They possess integrity, expertise and also have vast experience which is necessary or suitable to be the Director of the Company. Further, they have no pecuniary relationship other than sitting fee for attending meetings.

## **9. MATTERS RELATING TO BOARD OF DIRECTORS**

### **A. MEETING OF BOARD OF DIRECTORS OF THE COMPANY DURING THE FINANCIAL YEAR 2023-24:**

During the year under review, the Board met 6 (Six) Board Meetings were convened and held on May 30, 2023, August 10, 2023, September 30, 2023, November 08, 2023, February 13, 2024, and March 15, 2024, in accordance with the provisions of the Companies Act, 2013 to discuss and decide on various business strategies, policies and other issues. The intervening gap between any two Meetings was not more than the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Company has complied with the applicable Secretarial Standards in respect of all the above-Board Meetings.

The detailed composition of Board of Directors and requisite details are given in the Corporate Governance Report.

### **B. FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS:**

The Board of Directors has adopted a formal mechanism for evaluating various aspects of the Board's functioning its performance and as well as that of its committee i.e., Audit, Nomination and Remuneration, Stakeholders Relationship and individual directors. The criteria for performance evaluation of the Board include aspects like composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance, experience, competencies etc. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Individual Director who was evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest. The Board of Directors expressed their satisfaction with the evaluation process.

## **10. APPOINTMENT, RE-APPOINTMENT AND RESIGNATION OF DIRECTORS DURING THE YEAR 2023-24:**

The Board of Directors of the Company is led by the Executive Chairman and comprises of five other Directors as on March 31, 2024, including three Independent Directors which includes one Woman Director as required under Section 149 (1) of the Companies Act, 2013. The composition of the Board is in conformity with the provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### ➤ Appointment:

No appointment of any director was made during the Financial Year under review. However, the Board approved the re-appointment of Shri Brijmohan M. Dhoot as Whole Time Director of the Company for a further period of 3 years i.e. from August 14, 2024 to August 13, 2027 Board approved- The Re-Appointment Of Shri Govardhan M. Dhoot, Managing Director Of The Company For Another Term Of 3 Years W.e.f. 01st November 2024 Till 31st October 2027:

### ➤ Reappointment:

During the Financial Year under review, there was no change in composition of Key Managerial Personnel of the Company. However the Board approved the re-appointment of Shri Brijmohan M. Dhoot as Whole Time Director of the Company for a further period of 3 years i.e. from August 14, 2024 to August 13, 2027.

### ➤ Change in Designation:

No Change in designation of any director was made during the Financial Year under review. However, the members of the Company have approved continuation of Shri Govardhan M. Dhoot as a Managing Director of the Company on attaining the age of Seventy Year by way of Special Resolution passed through Postal Ballot on April 30, 2023.

### ➤ Retire by Rotation:

Shri Rakesh Kishinchand Milwani (DIN: 01115469) is retiring by rotation in this 51st Annual General Meeting and is offering himself for reappointment.

## **11. APPOINTMENT, REAPPOINTMENT AND RESIGNATION OF KEY MANAGERIAL PERSONS DURING THE YEAR 2023-24:**

Board Approved- The Re-Appointment Of Shri Govardhan M. Dhoot, Managing Director Of The Company For Another Term Of 3 Years W.e.f. 01st November 2024 Till 31st October 2027:

## **12. COMMITTEES OF BOARD OF DIRECTORS OF THE COMPANY:**

As on the date of approval of Directors' Report, following are the Committees of Board of Directors of the Company constituted under Companies

Act, 2013, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Companies Act 2013 and applicable regulations of Securities and Exchange Board of India (SEBI Regulations). Composition of the following Committees are also hosted on the website of the Company at [https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Terms-of-Reference-of-all-Committees\\_MDOL.pdf](https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Terms-of-Reference-of-all-Committees_MDOL.pdf).

- A. AUDIT COMMITTEE (AC)**
- B. NOMINATION AND REMUNERATION COMMITTEE(NRC)**
- C. STAKEHOLDERS RELATIONSHIP COMMITTEE(SRC)**
- D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC)**
- E. INTERNAL COMPLAIN COMMITTEE FOR PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE**

The constitutions, composition, terms of reference, details of meetings and attendance of members of afore-mentioned Committees have been mentioned in the Corporate Governance Report.

Further, the Board of Directors has also formed an Executive Committee (EC), which is a non-mandatory committee and delegated power to EC members to consider and approve day-to-day business matters. The decisions taken by the EC members are considered on record by the Board in their meetings

**F. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

In accordance with the provisions of Section 177 (9) and (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of SEBI (LODR) Regulations 2015 the Company already has in place "Vigil Mechanism Policy" (Whistle Blower Policy) for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The policy is also available on the Company's website at <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Whistle-Blower-Policy.pdf>

**G. RISK MANAGEMENT POLICY:**

The Company is not required to constitute Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Board of Director in pursuance to Regulation 17 (9) (b) has laid down risk management plan to deal with the risks that might become threat to the existence of the Company and subsequently affect the going concern status of the Company. 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 officers of the Company. Further, a separate section on probable risks and their management is provided in the Management Discussion and Analysis (MD&A) Report. The Company has in place a Policy on Risk Management for systematic approach to control risks.

**13. AUDITORS & REPORTS:**

**A. STATUOTY AUDITORS OF THE COMPANY:**

- **Appointment:** At the 48th Annual General Meeting of the Company, M/s. S. Somani & Co., Chartered Accountants (FRN: 117589W) was appointed Statutory Auditors of the Company for a period of 5 years from the conclusion of 48th AGM until the conclusion of the 53rd Annual General Meeting to be held in the year 2026.



• **Explanations or Comments on the Qualification, Reservation or Adverse Remark or Disclaimer made by the Auditor in his report:**

The auditor has not expressed any qualification or adverse remark in his report.

**B. SECRETARIAL AUDITORS OF THE COMPANY:**

As per Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force the Company had appointed M/s Rakhi Dasgupta & Associates - Practicing Company Secretaries to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report in form MR.3 for the Financial Year ended March 31, 2024, is attached herewith as Annexure – C to this report.

Management reply on observations marked out by Secretarial Auditor is given below:

Observations/ Remarks of the Secretarial Auditor	Management Reply
Following E forms have been filed by the Company after its due date:	
1. E Form AOC 4 XBRL for Financial Statements for Financial Year 2022-23	
2. E Form MGT 7 as Annual Return for Financial Year 2022-23	
3. E Form DPT 3 as Return of Exempted Deposit for Financial Year 2022-23	
4. Form IEPF 2 as Statement of unclaimed and unpaid amounts for Financial Year 2022-23	
5. E Form MGT 6 as Return to file declaration received under Section 89 of Companies Act, 2013.	The suitable steps were taken by the Company after identification. The said E-Forms were filed by Company with Additional Fees and as on date both forms have been filed with the Registrar of Companies.
6. E Forms MSME for furnishing half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprises (Half Year March 2023 and Half Year September 2023)	
7. E Form CHG 4 for satisfaction of Charge created in favor of Bank of Baroda	
8. E Form CHG 1 for modification of Charge created in favor of Bank of India	
The Company submitted outcome of the Board Meeting on 16th March 2024 i.e., within 24 Hours of the closure of the Board Meeting instead of 30 Minutes for considering Scheme of Merger by Absorption at Board Meeting held on 15th March, 2024	The clarification was sought by NSE vide its communication dated May 07, 2024 and the Company had clarified to the NSE on May 08 2024. The management in its clarification responded that there was a change in the period of announcement from 24 hours to 12 hours / 30 Minutes as per the SEBI (Listing Obligations and Disclosure requirements) (Second Amendment) Regulations, 2023 for outcome of Board Meeting where Scheme of Merger is considered. Based on said amendment, the outcome was inadvertently filed within 24 hours from the conclusion Board Meeting due to oversight of said amendment which was effective from 15.08.2023 and as a result the listed entity failed to submit the announcement within timeframe of 30 minutes

The Company did not submit the Cash Flow Statement at time of filing Financial Results for the Quarter and Half Year ended 30th September, 2023

BSE and NSE vide their communication dated 14th December 2023 (Exchange Letters), imposed fine as follows on the Listed Entity with respect to certain non-compliance / delayed compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Fine imposed as follows:

A. BSE – Rs.3,66,980/- (Inclusive of applicable taxes).

B. NSE – Rs.3,66,980/- (Inclusive of applicable taxes).

With respect to action taken by BSE & NSE, the listed entity filed a waiver letter on BSE and NSE respectively. The Listed Entity's representation for waiver of fine was placed before the "Request Review Committee" of BSE and NSE and such request for waiver was approved by BSE and NSE on February 01, 2024. The same was intimated to exchanges by the listed entity on 1st February, 2024

Regulation 24 (A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 inter-alia requires every listed company to annex with its Board's report, a Annual Secretarial Compliance Report given by a Company Secretary in practice, in the prescribed form. The Annual Secretarial Compliance Report given by M/s Rakhi Dasgupta & Associates - Practicing Company Secretaries for the Financial Year 2023-24 is annexed hereto and marked as Annexure – D.

#### C. COST AUDITORS OF THE COMPANY:

As per Section 148 of the Act read with rules framed thereunder, Rampurawala Mohammed A & Co., Cost Accountants, (Membership No. 32100) was appointed as Cost Auditors for the Financial Year 2023-24 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.

Further, Rampurawala Mohammed A & Co., Cost Accountants 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 being re-appointed within the meaning of the said Act. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee.

#### D. REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143 (12):

During the Financial Year under review, the Statutory Auditors have not reported any incident of fraud to the Audit Committee or to the Board of Directors of the Company.

#### E. INTERNAL AUDIT AND INTERNAL CONTROL SYSTEMS:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. Your Company has adequate internal controls for its business processes across departments to ensure efficient operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and appropriate reporting of financial transactions.

The Company has an Internal Audit function which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It comprises of experienced professionals who conduct regular audits across the Company's operations. The Company has also appointed a firm of Chartered Accountants as Internal Auditors, who review the various functions of the Company thoroughly and report to the Audit Committee. During the year under review, the Risk Management Committee of the Company had reviewed the new requirement of Internal Control over Financial Reporting ("ICFR") and finalized the detailed analysis of key processes, and these were presented for review by the Statutory Auditors. The control mechanism and the process of testing of controls were discussed with the Statutory Auditors. The Statutory Auditors have submitted their report on the Internal Financial Controls which forms an integral part of this Report. No significant events had come to notice during the year under review that have materially affected or are reasonably likely to materially affect IFC. Considering the business operations of the Company, the Management believes that the IFC and other financial reporting were effective and adequate during the year under review.

Further, the adequacy of the same has been reported by the Statutory Auditors of your Company in their report as required under the Companies (Auditor's Report) Order, 2020.

The Company had appointed M/s. Bipin Zavar & Associates, Chartered Accountants, as Internal Auditor of the Company for the Financial Year 2023-24.

#### 14. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, the draft Annual Return for the Financial Year ended March 31, 2024 made under the provisions of Section 92 (3) of the Act is made available on the website of the Company and can be accessed at: <https://www.mangalamdrugs.com/wp-content/uploads/2024/09/Form-MG-7-31.03.2024.pdf>



**15. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report on the operations of the Company as required pursuant to Part B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and marked as Annexure – E and forms part of this Report.

**16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

In terms of the provisions of Section 197 (12) of the Act read with sub-rules 2 & 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the information required under Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure – F.

**17. ANNUAL REPORT ON CSR ACTIVITIES / INITIATIVES FOR FINANCIAL YEAR 2023-24:**

The Company is not required to provide Annual Report on Corporate Social Responsibility activities / Initiatives for Financial Year 2023-24 as the Company does not fall under the criteria provided under section 135 (1) of Companies Act, 2013.

**18. CORPORATE GOVERNANCE REPORT:**

The Corporate Governance Report pursuant to Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and marked as Annexure – G and forms part of this Report.

**19. DETAILS OF PENDING PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG-WITH THEIR STATUS AS THE END OF THE FINANCIAL YEAR:**

The said clause is not applicable.

**20. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANK OR FINANCIAL INSTITUTIONS ALONG WITH THE REASON THEREOF:**

The said clause is not applicable.

**21. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:**

Save and except as discussed in the Annual Report, no material changes have occurred and no commitments were given by the Company which affects the financial position between the end of financial year to which the financial statements relate and the date of this report.

**22. LEGAL AND REGULATORY:**

Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes.

Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. We closely monitor and review our practices to ensure that we remain compliant with relevant laws and legal obligations.

**23. SECRETARIAL STANDARDS OF ICSI:**

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

**24. DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013 in relation to the Audited Financial Statements of the Company for the year ended March 31, 2024, the Board of Directors hereby confirms that

- A. In the preparation of the Financial Statements, for the Financial Year ended March 31, 2024, the applicable Accounting Standards have been followed and that there is no material departures.
- B. Appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of March 31, 2024, and of the loss of the Company for the Financial Year ended March 31, 2024.
- C. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- D. The Financial Statements have been prepared on a "Going Concern" basis.

- E. Proper Internal Financial Controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- F. Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## 25. OTHER DISCLOSURES

### A. DISCLOSURE UNDER SECTION 67 (3) OF THE COMPANIES ACT, 2013:

There were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

### B. BUSINESS RESPONSIBILITY REPORT:

In accordance with Regulation 34 of the Listing Regulations, Business Responsibility Report is not applicable to the Company.

## 26. CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include input costs, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## 27. APPRECIATION / ACKNOWLEDGEMENT

Your directors place on records their sincere appreciation for the steadfast commitment and highly motivated performance by the employees at all levels which was instrumental in sustained performance of the Company. The Directors are also grateful and pleased to place on record their 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

Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes.

Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. We closely monitor and review our practices to ensure that we remain compliant with relevant laws and legal obligations.

**For and On Behalf of the Board of Directors**

Sd/-

**Mr. Govardhan M. Dhoot**  
**Chairman & Managing Director**  
**DIN: 01240086**

Place : Mumbai

Date : 13<sup>th</sup> August, 2024



## ANNEXURE – A TO DIRECTORS’ REPORT

FORM NO. AOC – 1

**The statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures  
(Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

1. **Names of subsidiaries which are yet to commence operations: Not Applicable**
2. **Names of subsidiaries which have been liquidated or sold during the year: Not Applicable**
3. **Information with respect to Associates / Joint Venture: Not Applicable**
4. **Information with respect to Subsidiary:**

Sr. No.	Particulars	Details
1.	Name of the Subsidiary	Mangalam Laboratories Private Limited
2.	The date since when subsidiary was acquiredx`	September 30, 2023
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 01, 2024, to March 31, 2024
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign Subsidiaries	Not Applicable
Rs. In Lakhs		
5.	Share Capital	3.01
6.	Reserves & Surplus	(655.47)
7.	Total Assets	1744.44
8.	Total Liabilities	1744.44
9.	Investments	-
10.	Turnover	0
11.	Profit / Loss before taxation	(2.27)
12.	Provision for taxation	-
13.	Profit / Loss after taxation	(2.27)
14.	Proposed Dividend	-
15.	% of Shareholding	100%

**For and On Behalf of the Board of Directors**

Sd/-

**Mr. Govardhan M. Dhoot  
Chairman & Managing Director  
DIN: 01240086**

**Place :** Mumbai  
**Date :** 13th August, 2024

## ANNEXURE – B TO DIRECTORS' REPORT

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as per Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report For the Year Ended 31<sup>st</sup> March 2024

#### CONSERVATION OF ENERGY:

Sr. No.	Particulars	Details
1.	Energy Conservation Measures taken by the Company and Impact of above measures resulting in saving on account of units	The company has completed installation of High COD Effluent treatment stripper for in house treatment of concentrated effluent which will provide saving of 100 lakhs / Annum & Also will reduce dependency on external agency for effluent treatment.
2.	Steps taken by the Company for utilizing alternate sources of energy	Nil
3.	Natural ventilation equipment installed on the sheds to Conserve Energy	Nil
4.	Installed power factor control / capacitor banks to conserve energy	Nil
5.	Capital investment on energy conservation equipment	Stripper for Effluent treatment plant – Rs. 40 lakhs

#### RESEARCH AND DEVELOPMENT (R & D):

Sr. No.	Particulars	Details
1.	Specific areas in which R & D carried out by the Company	NIL
2.	Benefits derived as a result of the above R & D	NIL
3.	Future plan of action	NIL
4.	Expenditure on R & D	NIL

#### TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Sr. No.	Particulars	Details
1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	<ul style="list-style-type: none"> <li>➤ Quality upgradation of anti-malarial APIs which are on priority list of World Health Organization (WHO).</li> <li>➤ Analytical method innovations to meet international quality demands.</li> </ul>
2.	Benefits derived as a result of the above efforts	<ul style="list-style-type: none"> <li>➤ Optimal utilization of resources for the global market.</li> <li>➤ We are the first company to feature on WHO's API prequalification programme.</li> <li>➤ We shall be a preferred source of future drug candidates and hence shall enjoy a competitive advantage</li> </ul>
3.	Details of imported Technology	No technology has been imported
4.	Future plan of action	<ul style="list-style-type: none"> <li>➤ Development of frontline antiretroviral APIs and their intermediates.</li> <li>➤ Development of Antituberculosis API and intermediates.</li> <li>➤ Development of other therapeutic segment's intermediates</li> <li>➤ Augment the investment in sophisticated analytical instrumentation and plant machinery to boost the quality and cost efficiencies.</li> </ul>





Sr. No.	Particulars	Details	
5.	Expenditure on R & D	₹ in Lakhs	
		<b>Particulars</b>	<b>Current Year</b>
		<b>Previous Year</b>	
		Capital	215.81
		Recurring	-
		<b>Total</b>	<b>215.81</b>
			<b>742.68</b>

**FOREIGN EXCHANGE EARNINGS & OUTGO:**

Sr. No.	Particulars	Details	
1.	Activities relating to exports		
2.	Initiatives taken to increase exports		
3.	Development of new export markets for products & services	The Company is continuously exploring avenues to increase exports to various countries	
4.	Export Plans		
5.	Total foreign exchange outgo	₹ in Lakhs	
		<b>Particulars</b>	<b>Current Year</b>
		<b>Previous Year</b>	
		Raw material	8701.01
		Commission	20.25
		Travelling Expenses	37.81
		Registration & License Fees	3.56
		Capital Work in Progress (GMP)-WHO Annual Fees	-
		Business & Sales Promotion	27.21
		<b>Total</b>	<b>8,759.07</b>
			<b>9,779.68</b>
6.	Total foreign exchange earned	Current Year : 16,892.68 ₹ in Lakhs	
		Previous Year : 10,781.91 ₹ in Lakhs	

**For and On Behalf of the Board of Directors**

Sd/-

**Mr. Govardhan M. Dhoot**  
**Chairman & Managing Director**  
**DIN: 01240086**

Place : Mumbai  
 Date : August 13<sup>th</sup>, 2024

# ANNEXURE C TO THE DIRECTORS' REPORT

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

[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]

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

To,  
The Members of,  
**MANGALAM DRUGS AND ORGANICS LIMITED**  
CIN: L24230MH1972PLC116413  
3RD FLOOR, RUPAM BUILDING, 239,  
P. D. MELLO ROAD, MUMBAI (M.H.) – 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 as "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, 2024 (Audit period) 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 (within / beyond the due date) and other records maintained by the Company for the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. 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.
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) Viz:
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - d. 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.

We have also examined compliance with the applicable Clauses of:

1. 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.
2. Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited / The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.



During the audit period, the Company complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines and Agreements etc. mentioned above.

During the audit period, the provisions of the following Acts, Rules and Regulations were not applicable to the Company.

1. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
2. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021.
3. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016.
4. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and
5. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We report that, subject to our observations stated in **Exhibit – B**:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. No changes in the composition of the Board of Directors have taken place during the period under review.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.
3. 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 based on the explanations, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this the audit period since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

We have relied on the information supplied and representation made by the Company and its officers for systems and mechanism followed by the Company for compliance under the applicable Acts, Laws and Regulations to the Company.

**For and on behalf of Rakhi Dasgupta & Associates,  
Company Secretaries in Practice**

Sd/-

**CS Rakhi Dasgupta**

**M. No.: A28739**

**CP No: 20354**

**FR No: S2019WB692200**

**PR No: 5413/2024**

**UDIN: A028793F000471841**

Place : Kolkata

Date : 28/05/2024

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



## Exhibit - A

To,  
The Members of,  
**MANGALAM DRUGS AND ORGANICS LIMITED**  
CIN: L24230MH1972PLC116413  
3RD FLOOR, RUPAM BUILDING, 239,  
P. D. MELLO ROAD, MUMBAI (M.H.) – 400001

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 and on behalf of Rakhi Dasgupta & Associates,  
Company Secretaries in Practice**

Sd/-  
**CS Rakhi Dasgupta**  
M. No.: A28739  
CP No: 20354  
FR No: S2019WB692200  
PR No: 5413/2024  
UDIN: A028793F000471841

Place : Kolkata  
Date : 28/05/2024

## Exhibit – B Observations

Compliance Requirement (Regulations/ circulars / guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Section 137 of Companies Act, 2013	Filing of E Form AOC 4 XBRL for Financial Statements for Financial Year 2022-23 after due Date Event Date : 29.09.2023 Due Date : 28.10.2023 Filing Date : 22.11.2023	The Company has filed E-Form AOC 4 XBRL with an Additional Fees.
Section 92 of Companies Act, 2013	Filing of E Form MGT 7 as Annual Return for Financial Year 2022-23 after due Date Event Date : 29.09.2023 Due Date: 28.11.2023 Filing Date : 29.11.2023	The Company has filed E-Form MGT 7 with an Additional Fees.
Rule 16 and rule 16A of the Companies (Acceptance of Deposits) Rules, 2014	Filing of E Form DPT 3 as Return of Exempted Deposit for Financial Year 2022-23 after due Date Event Date : 31.03.2023 Due Date : 29.06.2023 Filing Date : 11.08.2023	The Company has filed E-Form DPT 3 with an Additional Fees.
Rule 5(8) and 7(2B) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016]	Filing of E Form IEPF 2 as Statement of unclaimed and unpaid amounts for Financial Year 2022-23 after due Date Event Date : 29.09.2023 Due Date : 29.09.2023 Filing Date : 01.03.2024	The Company has filed E-Form IEPF 2 with an Additional Fees.
Section 89 (6) of The Companies Act, 2013	Filing of E Form MGT 6 as Return to file declaration received under Section 89 of Companies Act, 2013 after due Date Event Date : 27.10.2023 Due Date : 26.11.2023 Filing Date : 01.03.2024	The Company has filed E-Form MGT 6 with an Additional Fees.
Order 2 and 3 dated 22 January, 2019 issued under Section 405 of the Companies Act, 2013	Filing of various E Forms MSME for furnishing half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprises.	The Company has filed various E Form MSME I after due dates with ROC for half year ended 31st March 2023. The Company has filed various E Form MSME I after due dates with ROC for half year ended 30th September 2023.
Section 82(1) of the Companies Act, 2013	Filing of E Form CHG 4 for satisfaction of Charge created in favor of Bank of Baroda after due Date Event Date : 26.12.2023 Due Date : 25.01.2024 Filing Date : 21.02.2024	The Company has filed E-Form CHG 4 with an Additional Fees.

<p>Section 77, 78 and 79 of the Companies Act, 2013</p>	<p>Filing of E Form CHG 1 for modification of Charge created in favor of Statement Bank of India after due Date            Event Date : 06.09.2023            Due Date : 05.10.2023            Filing Date : 07.10.2023</p>	<p>The Company has filed E-Form CHG 1 with an Additional Fees.</p>
<p>Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular SEBI / HO / CFD / CFD – PoD – 1 / P / CIR / 2023 / 123 dated July 13, 2023.</p>	<p>The Listed Entity submitted outcome of the Board Meeting on 16th March 2024 i.e., within 24 Hours of the closure of the Board Meeting instead of 30 Minutes for considering Scheme of Merger by Absorption at Board Meeting held on 15th March 2024.</p>	<p>The clarification was sought by NSE vide its communication dated May 07, 2024 and the Company had clarified to the NSE on May 08 2024. The management in its clarification responded that there was a change in the period of announcement from 24 hours to 12 hours / 30 Minutes as per the SEBI (Listing Obligations and Disclosure requirements) (Second Amendment) Regulations, 2023 for outcome of Board Meeting where Scheme of Merger is considered. Based on said amendment, the outcome was inadvertently filed within 24 hours from the conclusion Board Meeting due to oversight of said amendment which was effective from 15.08.2023 and as a result the listed entity failed to submit the announcement within timeframe of 30 minutes.</p>
<p>Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>The Listed Entity did not submit the Cash Flow Statement at time of filing Financial Results for the Quarter and Half Year ended 30th September 2023.</p>	<p>BSE and NSE vide their communication dated 14th December 2023 (Exchange Letters), imposed fine as follows on the Listed Entity with respect to certain non-compliance / delayed compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Fine imposed as follows:</p> <ol style="list-style-type: none"> <li>BSE – Rs.3,66,980/- (Inclusive of applicable taxes).</li> <li>NSE – Rs.3,66,980/- (Inclusive of applicable taxes).</li> </ol> <p>With respect to the action taken by BSE &amp; NSE, the listed entity filed a waiver letter on BSE and NSE respectively. The Listed Entity's representation for waiver of fine was placed before the "Request Review Committee" of BSE and NSE and such request for waiver was approved by BSE and NSE on February 01, 2024. The same was intimated to exchanges by the listed entity on 1st February 2024.</p>



## ANNEXURE D TO THE DIRECTORS' REPORT ANNUAL SECRETARIAL COMPLIANCE REPORT

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

### FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

Secretarial Compliance Report of Mangalam Drugs and Organics Limited for the Financial Year ended 31st March, 2024.

I, Rakhi Dasgupta has examined:

- a. All the documents and records made available to us and explanation provided by Mangalam Drugs and Organics Limited ("the Listed Entity");
- b. The filings / submissions made by the listed entity to the Stock Exchanges.
- c. Website of the listed entity; and
- d. Any other document / filing, as may be relevant, which has been relied upon to make this Report

For the financial year ended 31st March 2024 ("Review Period") in respect of compliance with the provisions of:

- a. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and
- b. The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the regulations, circulars, guidelines issued thereunder by the Securities & Exchange Board of India ("SEBI")

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- e. The Securities and Exchange Board of India (Depositories and Participants) Regulations 2018; and
- f. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable to the Listed Entity during the Review Period.
- g. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Not Applicable to the Listed Entity during the Review Period.
- h. Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; Not Applicable to the Listed Entity during the Review Period.
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016; Not Applicable to the Listed Entity during the Review Period.
- j. Other regulations as applicable; and
- k. Circulars / guidelines issued thereunder.

And based on the above examination, I hereby report that, during the Review Period:

**1A. The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below:**

Sr. No.	Particulars	Details
1.	Compliance Requirement (Regulations / Circulars / Guidelines including specific clause)	Submission of Cash Flow Statement under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at time of filing Financial Results for the Quarter and Half Year ended 30th September, 2023.
2.	Regulation / Circular No.	Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3.	Deviations	The Listed Entity did not submit the Cash Flow Statement at time of filing Financial Results for the Quarter and Half Year ended 30th September, 2023.

Sr. No.	Particulars	Details
4.	Action Taken by	BSE and NSE vide their communication dated 14th December, 2023 (Exchange Letters), imposed fine on the Listed Entity with respect to certain non-compliance / delayed compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5.	Type of Action	Imposition of Fines
6.	Details of Violation	The Listed Entity did not submit the Cash Flow Statement at time of filing Financial Results for the Quarter and Half Year ended 30th September, 2023.
7.	Fine Amount	Fine imposed as follows: a. BSE – Rs.3,66,980/- (Inclusive of applicable taxes). b. NSE – Rs.3,66,980/- (Inclusive of applicable taxes).
8.	Observations / Remarks of the Practicing Company Secretary	The fine imposed with respect to certain non-compliance / delayed compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been waived by BSE & NSE vide their communication dated February 01, 2024.
9.	Management Response	With respect to action taken by BSE & NSE, the listed entity filed a waiver letter with BSE and NSE respectively. The Listed Entity's representation for waiver of fine was placed before the "Request Review Committee" of BSE and NSE and such request for waiver was approved by BSE and NSE on February 01, 2024. The same was intimated to exchanges by the listed entity on 1st February, 2024.
10.	Remarks	NA

Sr. No.	Particulars	Details
1.	Compliance Requirement (Regulations / Circulars / Guidelines including specific clause)	Submission of outcome of Board Meeting within 30 minutes from closure of such meeting for the event / information which emanates from a decision taken in a meeting of Board of Directors.
2.	Regulation / Circular No.	Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular SEBI / HO / CFD / CFD – PoD – 1 / P / CIR / 2023 / 123 dated July 13, 2023.
3.	Deviations	The Listed Entity submitted outcome of the Board Meeting on 16th March, 2024 i.e., within 24 Hours of the closure of the Board Meeting instead of 30 Minutes for considering Scheme of Merger by Absorption at Board Meeting held on 15th March, 2024.
4.	Action Taken by	Nil
5.	Type of Action	Clarification sought by NSE on May 07, 2024
6.	Details of Violation	Submission of outcome of Board Meeting in delay as afore-said
7.	Fine Amount	Nil
8.	Observations / Remarks of the Practicing Company Secretary	The Listed Entity has clarified to NSE vide its communication dated May 08, 2024.
9.	Management Response	There was a change in the period of announcement from 24 hours to 12 hours / 30 Minutes as per the SEBI (Listing Obligations and Disclosure requirements) (Second Amendment) Regulations, 2023 for outcome of Board Meeting where Scheme of Merger is considered. Based on said amendment, it was clarified that the said outcome was inadvertently filed within 24 hours from the conclusion Board Meeting due to oversight of said amendment which was effective from 15.08.2023 and as a result the listed entity failed to submit the announcement within timeframe of 30 minutes.
10.	Remarks	NA



1B. The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Particulars	Details
1.	Compliance Requirement (Regulations / Circulars / Guidelines including specific clause)	Not Applicable
2.	Regulation / Circular No.	
3.	Deviations	
4.	Details of Violation	
5.	Fine Amount and Action taken	
6.	Management Response	
7.	Observations / Remarks of the Practicing Company Secretary	
8.	Remarks	

2. I hereby report that, during the review period the compliance status of the Listed Entity is appended as:

Sr. No.	Particulars	Compliance Status (Yes / No / NA)	Observations / Remarks by PCS
1.	<p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118 (10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	None
2.	<p>Adoption and timely up-dation of the Policies:</p> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity.</li> <li>All the policies of listed entity are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations / circulars / guidelines issued by SEBI.</li> </ul>	Yes	None
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website.</li> <li>Timely dissemination of the documents / information under a separate section on the website.</li> <li>Web-links provided in annual corporate governance reports under Regulation 27 (2) are accurate and specific which re- directs to the relevant document / section of the website.</li> </ul>	Yes	None
4.	<p>Disqualification of Directors:</p> <p>None of the Director of the Listed Entity is disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	None
5.	<p>Details related to subsidiaries of listed entities have been examined W.R.T.:</p> <ul style="list-style-type: none"> <li>Identification of material subsidiary Companies.</li> <li>Disclosure requirement of material as well as other subsidiaries.</li> </ul>	Yes	None
6.	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	None

Sr. No.	Particulars	Compliance Status (Yes / No / NA)	Observations / Remarks by PCS
7.	Performance Evaluation:  The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees during the financial year as prescribed in SEBI Regulations.	Yes	None
8.	Related Party Transactions:  • The listed entity has obtained prior approval of Audit Committee for all related party transactions (RPTs). • The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	Prior approval was taken for all RPTs. Also, all the RPTs are on Arm's length basis and in ordinary course of business as per explanation provided by the management
9.	Disclosure of events or information:  The listed entity has provided all the required disclosure under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	No	Observation has been mentioned in this report hereinabove.
10.	Prohibition of Insider Trading:  The listed entity is in compliance with Regulation 3 (5) & 3 (6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	Actions taken by SEBI or Stock Exchange(s), if any:  No action has been taken against the listed entity / its promoters / directors / subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars / guidelines issued thereunder.	No	The action taken against the listed Entity by Stock Exchanges are specified in this report hereinabove
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries:  In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	Not Applicable	. No such event during the review period
13	Additional Non-compliances, if any:  No additional non-compliance observed for any SEBI regulation / circular / guidance note etc.	Yes	None

### 3. Assumptions & Limitation of scope and Review:

- Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
- Our responsibility is to report based upon our examination of relevant documents and information which was done on test basis to ensure that correct facts are reflected in records. This is neither an audit nor an expression of opinion.
- We have not verified correctness and appropriateness of financial Records and Books of Accounts of the listed entity. Wherever required, I have obtained Management representation about compliance of applicable laws falling in purview of SEBI Regulations.



- d. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity

**For and on behalf of Rakhi Dasgupta & Associates,  
Company Secretaries in Practice**

Sd/-

**CS Rakhi Dasgupta**

**M. No.: A28739**

**CP No: 20354**

**FR No: S2019WB692200**

**PR No: 5413/2024**

**UDIN: A028793F000464152**

Place : Kolkata

Date : 28/05/2024

## ANNEXURE E TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR ENDED MARCH 31 2024

#### Global Economy:

Steady decline in global inflation from the peaks of 2022 with easing out of global supplies led to a good start for 2023. The global economy grew 3.2% with high resilience of ongoing geopolitical tension and tight monetary policy. As per IMF, global growth in 2024 and 2025 is estimated to remain persistent at 3.2% supported by robust government and private spending in several economies. A faster pace of disinflation and steady growth could lead to ease of financial control. In the near term, it is imperative for the central banks to manage monetary policy to ensure continued deceleration in inflation and rebuild budgetary capacity to deal with future shocks.

#### Indian Economy:

2023 was a landmark year for India as it assumed the presidency of the G20. In 2023, India remained the fastest growing large economy in the world. India has been a key growth engine for the world, contributing 16% to the global growth in 2023. Robust 10.7% growth in the construction sector and 8.5% growth in the manufacturing sector are the major contributors to the strong economic performance. The Reserve Bank of India (RBI) continued to keep tight monetary control with an aim to progressively align inflation with the 4% target.

According to RBI, sustained profitability in manufacturing and underlying resilience of services should support economic activity in FY 2024-25. It has pegged the GDP growth at 7.0% in FY 2024-25. While the outlook is positive, it is crucial to be cautious against the risks posed by geopolitical uncertainty, climate change, global indebtedness and technology disruptions.

#### Global Pharmaceutical Industry:

With the World Health Organization (WHO) declaring the end of the COVID-19 public health emergency in 2023, the focus of the pharma sector shifted back to prevention and treatment of other communicable and non-communicable diseases. Antibacterials, which witnessed significant disruption during the pandemic, saw modest growth in 2022 and 2023. Demand for OTC products witnessed robust growth in 2023 with inflationary pressure easing. Public healthcare spending was stepped up, which aids growth for pharmaceutical products. Certain markets including the EU, US and UK are imposing new or revised drug pricing regulations in a bid to lower state healthcare costs.

The pharmaceutical sector is rapidly adopting artificial intelligence (AI) in drug discovery, clinical trials, development processes and marketing strategies. Technology advancements are helping to accelerate the drug discovery process. The use of analytics is leading to increased use of predictive, diagnostic, prescriptive, and descriptive analytics. There is steady growth in the use of blockchain technology for drug production and distribution, to authenticate the quality of drug, and for improving safety.

In 2023, medicine use in terms of volume plateaued globally. The global medicine market, using invoice price levels, stood at US\$ 1.6 trillion up from US\$ 1.5 trillion in 2022. It is expected to grow to about US\$ 2.2 trillion, at 5-8% CAGR through 2028 driven by robust growth in existing branded medicines in the leading ten developed markets and accelerated growth in Asian countries especially India and China.

#### Indian Pharmaceutical Industry:

During COVID-19 pandemic, the Indian pharmaceutical industry proved its mettle on the global map as the world leader in vaccine production, producing 60% of total worldwide vaccines (including non-COVID vaccines). India contributes 40-70% of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette–Guérin (BCG) vaccines and 90% of the WHO demand for the measles vaccine. India is the third largest pharmaceutical market in the world in terms of volume and is the largest supplier of generic medicines. About 60,000 different generic brands are manufactured in India across 60 therapeutic categories, accounting for 20% of the global supply of generics.

India, which accounts for 3-5% of the global biotechnology industry, is among the top 12 destinations worldwide and the third largest in Asia Pacific. India boasts of having the most US FDA compliant pharmaceutical factories outside of the USA. India also has several WHO GMP compliant plants as well as plants approved by regulatory authorities of other countries. The Indian pharmaceutical industry supplies affordable and high-quality generic drugs to over 200 countries/territories with the top 5 destinations being the USA, Belgium, South Africa, UK, and Brazil. According to CARE ratings, the India pharmaceutical market was valued at US\$ 49.8 billion, up 5% YoY in FY 2022-23. The presence of a skilled workforce, high managerial and technical competence, robust investment in R&D and strong focus on compliance has aided in making India a global pharmaceutical hub. According to Economic Survey 2022–23, India's domestic pharmaceutical market is anticipated to reach US\$ 130 billion by 2030. The growing incidences of diseases, rising healthcare needs, strong government support, increasing life expectancy, multiplying population and increasing burden of chronic diseases are acting as stimulus for future market growth.

Total expenditure on healthcare increased from Rs. 79,221 Crores in FY 2023-24 to Rs. 90,171 Crores in FY 2024-25. The government has announced the setting up of more medical colleges by utilizing the existing hospital infrastructure. Announcement of U-WIN platform for managing immunization and intensified efforts of Mission Indradhanush to be rolled out throughout the country. A new scheme of bio-manufacturing and bio-foundry to be launched with the objective of providing environment friendly alternatives such as biodegradable polymers, bioplastics, biopharmaceuticals and bio Agri inputs. With increased allocations for numerous healthcare related programs, India's strong focus on affordable healthcare and sustainable development is evident.



### **On Active Pharmaceutical Ingredients (APIs):**

Active Pharmaceutical Ingredient (API) is a crucial segment of the pharma industry, contributing to around 35% of the market. Globally, India is the third largest producer of API accounting for 8% market share with over 500 different APIs. India contributes 57% of APIs to the prequalified list of WHO. The Indian API market was estimated at US\$ 18.29 billion in 2023 and is expected to grow at 7.7% CAGR over 2024- 2030. The growth is led by the strong domestic market, China plus one strategy, advanced chemical industry, availability of skilled workforce, stringent quality and manufacturing standards, and low costs for setting up and operating a modern plant. The domestic pharmaceutical business underwent a tremendous transformation, moving from being a volume producer to a valued supplier in 2022.

The government has taken several initiatives to capitalize on its API potential like 6,940 Crores production-linked incentive (PLI) scheme for the promotion of domestic manufacturing of Key Starting Materials (KSMs)/Drug Intermediaries (DIs), and APIs, 3,000 Crores promotion of bulk drug park schemes, allowing 100% FDI through automatic route for Greenfield pharmaceuticals projects and implementing a new strategy for protecting IPR. Under the PLI scheme, 35 APIs, which constitute 67% of APIs and have high import dependence, are being manufactured domestically. The adoption of the Promotion of Bulk Drug Parks scheme will favor bulk drug manufacturing, reducing the cost of production. The Bulk Drug parks are expected to establish world-class common infrastructure facilities and increase industry competitiveness globally.

### **On formulations:**

The Indian drug formulation market is witnessing rapid growth led by the growing prominence of India on the global map as a pharmaceutical hub. India has emerged as a major supplier of generic drugs and a key player in drug formulation. India has created a strong foundation for contract research, development of research and clinical research. Expertise in research & development led by availability of a talent pool, and cost-effective manufacturing are helping India grow. One of the significant contributors to the growth of the drug formulation market in India is the emphasis on R&D. In FY 2022-23, the Indian domestic formulation market contributed 2-3% to the total global pharmaceutical market. Over FY 2017-18 to FY 2022-23, the Indian domestic formulations market (consumption) grew at 9% CAGR and is expected to grow at 9-10% CAGR over the next five years, to reach 2.8-3 trillion in FY 2027-28. This growth is to be aided by strong demand because of rising incidence of chronic diseases, increased awareness and access to quality healthcare.

### **Company Overview:**

The Company has concluded an agreement with a leading pharmaceutical company. The technology transfer as well as setting up of an API manufacturing facility for various Anti-Malarial APIs comprise the agreement. The prevalence of severe Covid 19 infection has regressed allowing us to return to the prime focus on Antimalarials and other antivirals. Pre-covid price pressures have intensified which has resulted in fruitful backward integration of 4 critical raw materials needed in the APIs in infectious and lifestyle segments. As of today, we have 23 DMFs approved which has helped us to attract several collaboration queries which include APIs which shall lose patent protection over the next 5 years. Firming up the profitability of existing product portfolio and expanding the scope of regulatorily robust post-patent APIs are going to occupy us in the next financial year.

### **Opportunities Risk and Concerns:**

The Indian pharmaceutical industry is globally respected, and India is the largest provider of generic drugs globally and the country is known for its affordable vaccines and generic medications. Indian pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry. India is also the largest supplier of low-cost quality generics drugs and vaccines to the world. Indian pharmaceutical companies have also carved out a niche in both the Indian and world market with expertise in reverse engineering new processes for manufacturing of pharmaceuticals at low cost, which became the advantage for this industry.

The contribution of the pharmaceutical industry to the country's economy is immense. Apart from large employment generation, either directly or indirectly, this industry also contributes significantly to the country's GDP.

The Indian pharmaceutical industry growth will be driven by R&D capabilities, cost efficiencies, huge talent pool of scientists and new opportunities in the emerging global economies.

Government initiatives, including PLI 2.0, MSME support, and pharma clusters, along with industry-academia collaborative efforts, are expected to act as significant catalysts for growth. Furthermore, the Indian pharma industry is committed to meeting sustainability objectives and is investing in infrastructure for rapid drug discovery and development capabilities to sustain its growth trajectory.

### **Internal Control System and its Adequacy:**

The Company has an adequate system of internal controls commensurate with the nature, size and complexity of its manufacturing, finance and marketing operations including controls over financial reporting

Appropriate review and control mechanisms are in place for ensuring the internal control systems are operating effectively. The internal control system is supported by qualified personnel and a continuous program of internal audits. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. For this purpose, a yearly audit plan will be made with the approval of the Audit Committee of the Board of Directors.

### Human Resources:

Human resources play a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. We consider employees as an integral part of our operations and we put in place appropriate compensation plans, feedback processes, continuing training and upgradation of skills in their functional areas. Employee relations are affable and harmonious with safe and healthy working environment and all-round contribution and participation in the growth. The Company has built a competent team to handle challenging assignments. The Company strives to enhance the technical, work related and general skills of employees through dedicated training programs on a continuous basis. The Total employees' strength of the company during the financial year 2023-24 is 432.

### State of the Affairs of the Company:

During the financial year under report the company registered a total revenue from operations of Rs. 36859.47 Lakhs as against Rs. 37,225.29 in the previous Financial Year.

### Financial Ratios:

Sr. No.	Particulars	2023-24	2022-23
1.	Debtors Turnover Ratio	13.15	7.96
2.	Inventory Turnover Ratio	2.72	2.72
3.	Interest Coverage Ratio	0.21	1.17
4.	Operating Margin Ratio	0.01	0.04
5.	Net Profit Margin	0.00	0.003
6.	Return on net worth	0.00	0.01
7.	Current Ratio	1.10	1.24
8.	Debt Equity Ratio	0.75	0.58
9.	Net Capital Turnover Ratio	19.42	9.26
10.	Return on Capital Employed	0.02	0.08

Growth in API business remained below expectation primarily due to inventory recalibration at the customer's level owing to high API prices. Margins and profitability continued to remain affected as inflationary pressure weighed on raw materials, power and fuel costs, coupled with inflationary trends in the economy. This has resulted in a lower operating profit margin, lower net profit margin and lower return on net worth as compared to the previous financial year.

### Health & Safety Measures:

As the Company's manufacturing operations involve complex chemical reactions, risks exist on any issues relating to safe operations and environmental compliances. Our company's policies and processes are designed and reviewed from time to time to adhere to all applicable regulations on the environment management, employee health and safety. Our company continually strives to optimize the resources and upgrade its processes to reduce the environmental impact of its processes, products and services, besides ensuring health and safety of employees involved in the processes.

### Cautionary Statement:

This report may contain certain statements that the Company believes are or may be considered to be 'forward-looking statements' which are subject to certain risks and uncertainties. These estimates and Judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year. Actual results may differ materially from those expressed or implied. Significant factors that could influence the Company's operations include government regulations, tax regimes, market access related regulatory compliances, patent laws and domestic and international fiscal policies.

For and On Behalf of the Board of Directors

Sd/-  
**Mr. Govardhan M. Dhoot**  
 Chairman & Managing Director  
 DIN: 01240086

Place : Mumbai

Date : August 13, 2024

## ANNEXURE – F TO DIRECTORS’ REPORT

### PARTICULARS OF EMPLOYEES & REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

[(Pursuant to Section 197 (12) of the Companies Act, 2013 read with rule 5 of Companies (Appointment & Remuneration) Rules, 2014)]

For the Year Ended 31st March 2024

- A. The particulars of employees, who were in receipt of remuneration not less than Rs. 60 lacs for the Financial Year ended on March 31, 2024, are given below: Nil
- B. Disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014.
- i. The percentage increase in remuneration of the Executive Directors, Chief Financial Officer and Company Secretary during the financial year 2023-24, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year and the comparison of remuneration of each Executive Directors, Chief Financial Officer and Company Secretary against the performance of the Company is as under:

Sr. No.	Names	Designation	% increase in the remuneration for financial year 2023-24	Ratio of remuneration of Director to median remuneration of employees
A.	Shri Govardhan M. Dhoot	Managing Director	Nil	4.02
B.	Shri Brijmohan M. Dhoot	Whole Time Director	Nil	1.20
C.	Mr. Ajay Samant	CFO	8	5.73
D.	Mr. Jayant Barde*	CS	14.19	2.00

\*Ceased to be Company Secretary & Compliance Officer w.e.f. 06.07.2024

- ii. The percentage increase in the median remuneration of employees during the Financial Year is 1.548%.
- iii. Average percentile increases 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 in salaries of employees was around 12.88% in the Financial Year.
- iv. There were 432 permanent employees on the rolls of the Company as on March 31, 2024.
- v. The Names of the top Ten employees in terms of remuneration drawn are as follows:

Name	Designation	Remuneration received	Nature of employment, whether contractual or otherwise;	qualifications and experience of the employee;	Date of commencement of employment;	Age	The percentage of equity shares held	Whether relative of any director or manager of the company
Mr. Govardhan M Dhoot	CMD	2000000	Permanent	Commerce Background	16-04-1996	70	3.23	Yes
Ms. Krishnapriya Nawal	COO	2968092	Permanent	Degree in Fashion & Business Management	23-04-2018	39	0.03	Yes
Dr. Kamal Ishvarlal Vashi	President	7066368	Permanent	Ph.D.	02-05-2005	44	0.00	No
Mr. Yaduraj Dhoot	Head Purchase	4096620	Permanent	Master's in business management	01-06-2019	24	0.04	No
Mr. Ajay Samant	CFO	2850120	Permanent	CA	01-07-1996	59	0.00	No
Mr. Rakesh Sakikram Srivastava	General Manager	2474700	Permanent	MSc	01-12-2004	50	0.00	No
Dr. Bhanvesh Dinesh Naik	Gen. Manager	4473972	Permanent	Ph.D.	04-09-2006	45	0.00	No
Ms. Mansi Sidhinath Pathak	Sr. Manager	3869016	Permanent	MBA	23-11-2020	45	0.00	No
Mrs. Jyoti Dhoot	Manager	2925480	Permanent	B. Com	01-08-2015	67	0.66	Yes
Mrs. Rekha Dhoot	Manager	2925480	Permanent	B. Com	01-08-2015	63	0.94	Yes

It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company. The salaries to employees are based on Remuneration policy of the Company that rewards people differentially based on their skills, experience and contribution to the success of the Company and also ensures that external market competitiveness and internal relativities are taken care of.

All Employees are Permanent and none of the Employee is relatives of Directors or Manager or KMP.

**For and On Behalf of the Board of Directors**

Sd/-

**Mr. Govardhan M. Dhoot**  
**Chairman & Managing Director**  
**DIN: 01240086**

Place : Mumbai

Date : August 13, 2024





## ANNEXURE – G TO DIRECTORS’ REPORT CORPORATE GOVERNANCE REPORT

**For the Financial Year March 31, 2024**

The Directors present the Company’s Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the Auditors Certificate annexed as Exhibit - A to this report, on compliance with the conditions of Corporate Governance laid down for the year ended March 31, 2024.

### 1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company follows the highest standards of governance and disclosure. Corporate Governance encompasses a set of systems and practices to ensure that the Company’s affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Your Company has been following the Corporate Governance practices like striking out reasonable balance in the composition of Board of Directors, setting up Audit Committee and other business committees, adequate disclosures and business to be deliberated by the Board etc. It is the way of life, rather than a mere legal compulsion. Your Company is committed to following good Corporate Governance practices and improve upon them year after year. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes the Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (“Act”). These codes are available on the Company’s website. Further, 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 annexed and forms part of the Annual Report.

The Company’s philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under the regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

### 2. BOARD OF DIRECTORS

The Board Members are fully aware of their roles and responsibilities in discharge of the key functions. The Board Members strive to meet the expectation of operational transparency without compromising the need to maintain confidentiality of information. The Board of Directors of the Company has an optimum combination of Executive and Non- Executive Directors with not less than Fifty percent of the Board of Directors comprising of Non- Executive Directors as on March 31, 2024. The Board of Directors of the Company had a balanced mix of Executive and Non-Executive Directors and also met the stipulated requirements under the Companies Act, 2013 (“the Act”) and Listing Regulations. As on March 31, 2024, the Company’s Board consists of 6 Directors. The Board comprises of two Executive Directors (including Chairman) and Four Non-Executive Directors (Including one Woman Independent Director, two other Independent Directors and one Non-Executive Non-Independent Director). The Board provides strategic guidance to the Company and ensures effective monitoring of the corporate governance practices. The composition of the Board is in conformity with the Act and Listing Regulations. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Act.

Also, the Independent Directors on the Board are highly experienced and competent individuals from their respective fields. The Independent Directors take an active part at the Board Meetings and Committee Meetings which add value in the decision-making process of the Board of Directors.

### 3. COMPOSITION AND CATEGORY OF BOARD OF DIRECTORS:

The Composition of the Board and Directorship held in other Companies and Committees as on March 31, 2024, are prescribed below:

Sr. No.	Name of the Director(s)	Category of Directorship	Other Directorship	No. of Committee positions held including Company	
				Chairman	Member
1.	Shri Govardhan M. Dhoot	Chairman & Managing Director	0	0	2
2.	Shri Brijmohan M. Dhoot	Whole-time Director	0	0	1
3.	Shri Rukmesh P. Dhandhanania	Non-Executive (Independent Director)	0	0	1
4.	Smt. Nidhi S. Mundada	Non-Executive (Independent Director)	0	2	2
5.	Shri Praveen Saxena	Non-Executive (Independent Director)	1*	0	1
6.	Shri Rakesh K. Milwani	Non-Executive Non-Independent Director	0	0	0

\* Mr. Praveen Saxena also holds directorship in IMP Powers Limited.

Category	No. of Directors	% Of Total Board
Managing Director (Executive)	01	16.67
Whole Time Director (Executive)	01	16.67
Non-Executive and Independent Director	03	50.00
Non-Executive and Non-Independent Director	01	16.66
<b>Total</b>	<b>06</b>	<b>100.00</b>

#### NOTES:

- All the Directors are appointed or re-appointed with the approval of the shareholders.
- None of the Directors has any business / material pecuniary relationship or transactions with the Company.
- Shri Govardhan M. Dhoot and Shri Brijmohan M. Dhoot are related to each other as brothers. Except as stated above, none of the Directors are related to other Directors on the Board in terms of definition of 'relative' as per the Companies Act 2013.
- None of the Directors on the Board hold directorships in more than ten public companies.
- None of them is a member of more than Ten Committees or Chairman of more than five committees across all the Public Companies in which he is a director.
- Private Limited Companies, Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 are excluded While considering the total No. of Companies directorship held in the Company. Further, it includes only the Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee.
- All Directors have intimated periodically about their Directorship and Membership in various Board and Committee positions of other Companies, which are within permissible limits of the Companies Act, 2013 and Corporate
- 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 other outside Committee positions held, Membership in committees of Private Companies, Section

#### 4. BOARD MEETINGS AND ATTENDANCE OF DIRECTORS:

During the year under review, the Board met 6 (Six) Board Meetings were convened and held on May 30, 2023, August 10, 2023, September 30, 2023, November 08, 2023, February 13, 2024 and March 15, 2024. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. The Last Annual General Meeting (AGM) of the Company was held on September 29, 2023.

#### THE ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING WERE AS UNDER:

Dates on which the Meetings were held	Shri Govardhan M. Dhoot	Shri Brijmohan M. Dhoot	Shri Rukmesh P. Dhandhania	Smt. Nidhi S. Mundada	Shri Praveen Saxena	Shri Rakesh K. Milwani
<b>Board Meeting</b>						
30.05.2023	P	P	P	P	P	P
10.08.2023	P	P	P	P	P	P
30.09.2023	P	P	P	P	P	P
08.11.2023	P	P	P	P	P	P
13.02.2024	P	P	P	P	P	P
15.03.2024	P	P	P	P	P	P
Annual General Meeting	P	P	P	P	P	P
29.09.2023	P	P	P	P	P	P



## 5. BOARD PROCEDURE

- The Board meets at least once a quarter to review the results and other items on the agenda, once a year for approval of annual budgets and strategy and also on the occasion of the annual shareholders' meeting. When necessary, additional meetings are held.
- The Board Meetings are convened by giving appropriate Notice and Agenda.
- The Notice and Agenda of the board meetings is drafted by the Company Secretary if appointed or person authorized by Board of Directors of the Company along with the explanatory notes and these are distributed in advance to the directors. Every Board member is free to suggest the inclusion of items on the agenda.
- All divisions / departments in the Company are encouraged to plan their functions well in advance, particularly regarding matters requiring discussion/ approval/ decision in the board/ committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the agenda for the board meetings. The agenda papers are prepared by the concerned officials of the respective department and are approved by the Chairman.
- Agenda papers are circulated to the Board by the Company Secretary if appointed or person authorized by Board of Directors. Additional items on the agenda are permitted with the permission of the Chairman and with the consent of all the Directors present at the meeting.
- The Board also passes resolutions by circulation on need basis. The Company has been providing the directors with an option to participate in Board Meetings through electronic mode.
- Minutes of the proceedings of the Board Meeting are prepared within the stipulated time as per applicable law and thereafter the same is circulated to all Directors for their comments. The minutes of all the Committees of the Board of Directors of the Company and the minutes of the meetings of the Board of Directors of the Company are placed before the Board.
- The quarterly, half-yearly and the annual results of the Company are first placed before the Audit Committee of the Company and thereafter the same are placed before the Board of Directors.
- A Compliance Certificate, signed by the CFO and Executive Director in respect of various laws, rules and regulations applicable to the Company is placed before the Board, every quarter.

## 6. BRIEF PROFILE OF DIRECTORS OF THE COMPANY:

1. **Shri Govardhan M. Dhoot**, Son of Shri Murlidhar R. Dhoot having DIN: 01240086, has been the Managing Director of the Company since 1996. Being having commerce Background in educational filed, he has over four decades of experience in the Chemical Industry, handling marketing in both domestic and export market. He has travelled to many countries and visited important Industrial & Commercial Capitals all over the world.
2. **Shri Brijmohan M. Dhoot**, Son of Shri Murlidhar R. Dhoot having DIN: 01046420, has been Whole-time Director of the Company since May 2015. He has more than 40 years of experience in the Chemical and Pharma Industry. He has vast knowledge and varied experience which is of great value to the company.
3. **Shri Rukmesh Dhandhanania**, Son of Shri Prabhukumar Dhandhanania having DIN: 02493968, has been Independent Director of the Company since November 2017. He has acquired degree of Masters in Marketing Management and has 16 years of experience in Agency Business.
4. **Smt. Nidhi S. Mundada**, Daughter of Shri Subhash Sardar, having DIN: 08134952, has been Independent Director of the Company since May 2018 and reappointed in April 2023. She has ample experience in diverse sectors - Financial Services, FMCG and information technology and contributed on setting up strategies and executing them end-to-end at companies like Infosys, HUL, Citi and Dinshaw's.
5. **Dr. Praveen Saxena**, Son of Shri Kunwar Bahudar Saxena having DIN: 03199264, has been Independent Director of the Company since March 2021. He is Chief Executive Officer for Skill Council for Green Jobs, Skill India Mission and is superannuated as Advisor in Ministry of New and Renewable Energy (MNRE) and Director General of National Institute of Solar Energy in 2015. Dr. Saxena is an international expert with enriched experience of providing leadership and strategic vision on energy policy issues, conceptualizing and supervising institutions and network of energy technology centers.
6. **Shri Rakesh K. Milwani**, Son of Shri Kishinchand Milwani having DIN: 01115469, has been Non- Executive Non- Independent Director of the Company since March 2022. He has acquired a degree of a Chartered Accountant from Institute of Chartered Accountants of India and comes with over 40 years of experience as a Practicing Chartered Accountant enriching himself with expertise in Financial Services. He has also completed his bachelor's degree of Commerce and bachelor's degree of Law.

## 7. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Sr. No.	Name of Director	Inter - Se Relationship
1.	Shri Govardhan M. Dhoot	Brother of Shri Brijmohan M. Dhoot
2.	Shri Brijmohan M. Dhoot	Brother of Shri Govardhan M. Dhoot
3.	Shri Rukmesh P. Dhandhanian	No Relation
4.	Smt. Nidhi S. Mundada	No Relation
5.	Shri Praveen Saxena	No Relation
6.	Shri Rakesh K Milwani	No Relation

## 8. TRAINING OF NON-EXECUTIVE DIRECTORS OF THE BOARD OF DIRECTORS:

All Non-Executive Directors appointed on the Board of the Company are introduced to the culture through induction sessions. The Executive Directors and senior management provide an overview of the operations and familiarize the Non-executive Directors on matters the morals and principles of the Company.

They are introduced to the organization structures and various procedures. Non-Executive Directors are also briefed pertaining to the group structure and subsidiaries. Also, the Company has a detailed familiarization Programme for Non - Executive Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

Further, the terms and conditions of appointment of Independent Directors have been placed on the website of the Company <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Terms-and-Conditions-for-appointment-of-ID.pdf>.

## 9. NUMBER OF SHARES & CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS AS ON MARCH 31, 2024 IS AS UNDER

Name of Director	Director Category	Number of Shares / convertible instruments held in the Company
Shri Govardhan M. Dhoot	Chairman & Managing Director	Equity: 5,11,792
Shri Brijmohan M. Dhoot	Whole Time Director	Equity: 4,86,996
Shri Rukmesh P. Dhandhanian	Non-Executive (Independent Director)	Equity: Nil
Smt. Nidhi S. Mundada	Non-Executive (Independent Director)	Equity: Nil
Shri Praveen Saxena	Non-Executive (Independent Director)	Equity: Nil
Shri Rakesh K Milwani	Non-Executive Non-Independent Director	Equity: Nil

## 10. REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR DURING THE FINANCIAL YEAR 2023-24:

During the Financial Year under review, there has been no resignation by Independent Director of the Company.

### 1. LIST OF SKILLS / EXPERTISE / COMPETENCIES REQUIRED TO FUNCTION THE BUSINESS EFFECTIVELY:

Too many businesses fail because translating passion into a successful business model is a difficult task.

Developing a small business into a successful enterprise demands more than passion. Unfortunately, facts speak for themselves. Over half of new businesses fail mainly because the entrepreneur is unable to translate their passion into practical business skills. Success demands more than hard work, resilience, and expertise in your field. In order to succeed, you need to understand and to become proficient in a set of fundamental business skills.

Following are the essential skills that you are required to run the business of the Company:

#### A. FINANCIAL MANAGEMENT SKILL:

Being able to effectively manage your finances is critical. You will need to be able to forecast your cash flow and sales, as well as, monitor your profit and loss. Having sound financial management skills will help you to run your business profitably and protect your financial investment.

#### B. MARKETING, SALES AND CUSTOMER SERVICE SKILL:

It is important to be able to promote your products or services effectively. Providing good customer service and having a marketing strategy in place will help you to generate sales.

**C. COMMUNICATION AND NEGOTIATION SKILL:**

Communication and negotiation with your suppliers, potential investors, customers and employees is very important to have. Having effective written and verbal communication skills will help you to build good working relationships. Every communication should reflect the image you are trying to project.

**D. MANAGEMENT SKILL:**

These means offering other people opportunities to do work, even if you think it will benefit your own clout or resume to do it yourself. Delegation is an important part of time and resource management. If you take everything on yourself, chances are your work in key areas will suffer. Someone that excels in business will be able to manage their own workload by appropriately directing the appropriate colleagues and subordinates for the best tasks.

**E. STRATEGIC PLANNING SKILL:**

Strategic planning is a very important business activity. Strategic planning is a process of defining your company's strategy or direction and making decisions on allocations of resources of capital and people. The key is to know how to project your company's future performance, within a three-to-five-year framework or more, supported by your well-defined business plan.

**IN TERMS OF REQUIREMENT OF LISTING REGULATIONS, THE BOARD HAS IDENTIFIED THE FOLLOWING SKILLS / EXPERTISE / COMPETENCIES OF THE DIRECTORS HOLDING DIRECTORSHIP AS ON MARCH 31, 2024 AS GIVEN BELOW:**

Skills and Its Description	Shri Govardhan M. Dhoot	Shri Brijmohan M. Dhoot	Shri Rukmesh P. Dhandhania	Smt. Nidhi S. Mundada	Shri Praveen Saxena	Shri Rakesh K. Milwani
Leadership experience of running large enterprise Experience	Yes	Yes	Yes	Yes	Yes	Yes
Experience of crafting Business Strategies	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of Consumer and Customer Insights in diverse environments and conditions	Yes	Yes	Yes	Yes	Yes	Yes
Finance & Accounting Experience	Yes	Yes	No	Yes	Yes	Yes
Experience in overseeing large and complex Supply Chain	Yes	Yes	Yes	Yes	Yes	Yes
Understanding use of Digital / Information Technology	Yes	Yes	Yes	Yes	Yes	Yes
Experience of Large companies & understanding of the changing regulatory landscape	Yes	No	Yes	Yes	Yes	Yes
Communication & Negotiation Skill	Yes	Yes	Yes	Yes	Yes	Yes

**2. COMMITTEES OF THE BOARD: Currently the Company is having 5 mandatory committees of the Board:**

- A. Audit Committee.
- B. Stakeholders Relationship Committee.
- C. Nomination and Remuneration Committee.
- D. Corporate Social Responsibility Committee
- E. Internal Complaints Committee

**A. AUDIT COMMITTEE:****i) COMPOSITION:**

As required under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with part C of schedule II thereto, the Board has complied with composition of Audit Committee which comprises of the following members as on March 31, 2024

Name of the Member	Director Category	Position
Smt Nidhi S. Mundada	Independent Director	Chairperson
Shri Govardhan M. Dhoot	Executive Director	Member
Shri Rukmesh P. Dhandhanian	Independent Director	Member

**ii) CHANGE IN COMPOSITION:**

There has been no change in the composition of the committee during the review period.

**iii) TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

Terms of reference of the Committee has been hosted on the website of the Company at: <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Terms-of-Reference-of-all-Committees.pdf>.

**iv) ATTENDANCE RECORD OF THE MEMBERS:**

The attendance records of each member of the Audit Committee at the Meeting are as followed:

Name of Mem-ber	Designation	Meetings & Attendance				
		30.05.23	10.08.23	08.11.23	13.02.24	15.03.24
Smt Nidhi S. Mundada	Chairperson	P	P	P	P	P
Shri Govardhan M. Dhoot	Member	P	P	P	P	P
Shri Rukmesh P. Dhandhanian	Member	P	P	P	P	P

A- Absent, P-Present, N.A.-Not Applicable

Statutory Auditor has been invitee to the Audit Committee Meetings besides Chairman, Managing Director & Chief Financial Officer as an Invitee.

The gap between two consecutive meetings did not exceed 120 Days. The necessary quorum was present for all the meetings.

**B. STAKEHOLDERS RELATIONSHIP COMMITTEE:****i) COMPOSITION:**

The Stakeholders Relationship Committee of the Board is in compliance with the provisions of Section 178 (5) of the Companies Act and Regulation 20 of the SEBI Regulations read with Part D of Schedule II. The Stakeholders Relationship Committee comprises of the following Members as on March 31, 2024

Name of the Member	Director Category	Position
Smt Nidhi S. Mundada	Independent Director	Chairperson
Shri Govardhan M. Dhoot	Managing Director	Member
Shri Brijmohan M. Dhoot	Whole Time Director	Member

**ii) CHANGE IN COMPOSITION:**

There has been no change in the composition of the committee during the review period.

**iii) TERMS OF REFERENCE OF THE STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

Terms of reference of the Committee has been hosted on the website of the Company at: <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Terms-of-Reference-of-all-Committees.pdf>.

**iv) ATTENDANCE RECORD OF THE MEMBERS:**

Name of Members	Designation	Meetings & Attendance	
		30.05.2023	13.02.2024
Smt Nidhi S. Mundada – Independent Director	Chairperson	P	P
Shri Govardhan M. Dhoot - Executive Director	Member	P	P
Shri Brijmohan M. Dhoot - Executive Director	Member	P	P

**A- Absent, P-Present, N.A.-Not Applicable**

No. of Investor complaints pending at the beginning of the Year	No. of Investor complaints received during the Year	No. of Investor complaints disposed of during the Year	No. of Investor complaints unresolved at the end of the Year
0	0	0	0

**v) COMPLIANCE OFFICER:**

Mr. Jayant Barde was appointed as Company Secretary and Compliance Officer on 08th February 2022 as required under Regulation 6 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"). However, he had resigned from the position of Company Secretary and Compliance Officer on July 06, 2024. The Board of Directors in its meeting held on July 08, 2024 had appointed Ms. Anuradha Pandey as Company Secretary and Compliance Officer of the Company. She has been entrusted with the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimate to the Company directly or through SEBI and Stock Exchanges. All complaints / grievances have been duly intimated to exchange under Regulation 13 of the SEBI (LODR) Regulations, 2015 to resolve the investor grievances.

**vi) DETAILS OF REGISTRARS AND SHARE TRANSFER AGENTS OF THE COMPANY:**

All share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz., Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.

**C. NOMINATION AND REMUNERATION COMMITTEE:**
**i) COMPOSITION:**

The Nomination & Remuneration Committee of the Board is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Regulations read with Part D of Schedule II. The minutes of the Nomination and Remuneration Committee meetings are reviewed and noted by the Board from time to time. This Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force

The Nomination and Remuneration Committee consists of 3 (three) Non-Executive - Directors as Members of the Committee as on March 31, 2024. The Nomination & Remuneration Committee comprises of the following Members:

Name of the Member	Position	Director Category
Smt. Nidhi S. Mundada	Chairperson	Independent Director
Shri Rukmesh P. Dhandhanania	Member	Independent Director
Shri Praveen Saxena	Member	Independent Director

**ii) CHANGE IN COMPOSITION:**

There has been no change in the composition of the committee during the review period.

**iii) CRITERIA FOR SELECTION OF NON-EXECUTIVE DIRECTORS:**

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

- In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - Qualification, expertise and experience of the Directors in their respective fields.
  - Personal, Professional or business standing.
  - Diversity of the Board
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.
- The quantum of sitting fees payable if any to Independent Directors of the Company is in terms of provisions of the Act.

**iv) TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE:**

Terms of reference of the Committee has been hosted on the website of the Company at: <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Terms-of-Reference-of-all-Committees.pdf>.

**v) ATTENDANCE RECORD OF THE MEMBERS:**

Three Meetings of the Nomination and Remuneration Committee were held during the Financial Year 2023-24.

Name of Member	Designation	Meetings & Attendance	
		30.05.2023	13.02.2024
Smt. Nidhi S. Mundada	Chairperson	P	P
Shri Rukmesh P. Dhandhania	Member	P	P
Shri Praveen Saxena	Member	P	P

A- Absent, P-Present, N.A.-Not Applicable

**vi) REMUNERATION POLICY:**

- The Remuneration Policy of the Company for managerial personnel is primarily based on the performance of the Company and track record, potential and performance of individual managerial personnel. The Remuneration Committee recommends to the Board the compensation package of the Executive Directors of the Company.
- Since the appointment of the Executive Director is by virtue of their employment with the Company, their service contract, notice period and severance fees, if any, is governed by the remuneration policy of the Company.
- The Company does not have any Employee Stock Option Scheme.

Following are the details of remuneration paid to Directors of the Company during the Financial Year 2023-24:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Govardhan M. Dhoot	Shri Brijmohan M. Dhoot	
1.	Gross salary	20.06	6.13	26.19
	(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	-	-	-

(Rs. In Lakhs)



(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Govardhan M. Dhoot	Shri Brijmohan M. Dhoot	
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others – Professional Consultancy Fees and Reimbursement	-	-	-
	<b>Total (A)</b>	<b>20.06</b>	<b>6.13</b>	<b>26.19</b>

(Rs. In Lakhs)

Name of Directors	Sitting fees paid (Rs.)	No. of shares held
Shri Rukmesh P. Dhandhanian	0.26	Nil
Smt. Nidhi S. Mundada	0.32	Nil
Shri Praveen Saxena	0.16	Nil
Shri Rakesh K. Milwani	0.12	Nil

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Company Secretary & Compliance Officer	CFO	Total Amount
		Jayant Barde	Ajay Samant	
1.	Gross salary	8.85	26.89	35.74
	(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		-	-
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission		-	-
	As % of profit		-	-
	Others, specify		-	-
5.	Others – Professional Consultancy Fees and Reimbursement		-	-
	<b>Total (A)</b>	<b>8.85</b>	<b>26.89</b>	<b>35.74</b>

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is inconsonance with the existing industry practice which is hosted on the website of the Company at: <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Nomination-remuneration-policy.pdf>.

**vii) DISCLOSURE AS PER SCHEDULE V OF COMPANIES ACT, 2013:**

- All elements of the remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors have been mentioned above in this report.
- Details of fixed component and performance linked incentives along with the performance criteria have been mentioned above in this report.
- Service Contracts: In accordance with the applicable provisions of the Companies Act, 2013 our shareholders approve the salary and benefits of Executive Directors. We enter into service contracts with each of our directors containing

the terms and conditions of employment including salary, performance bonus and other benefits including perks to be received by the Executive Directors.

- d. Notice Period: The terms of our employment arrangements with Shri Govardhan M. Dhoot and Shi Brijmohan M. Dhoot have been as per appointment letter issued to them.
- e. Severance Fees: The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Directors.
- f. Stock Option details: No stock option has been issued by the Company to any Director of the Company during the Financial Year 2023-24.

#### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to Section 135 of the Act, the Company has constituted Corporate Social Responsibility Committee (CSR), *interalia*, to formulate CSR Policy, to recommend the amount of expenditure to be incurred on social activities and to monitor the CSR Policy and CSR expenditure. The CSR 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 posted on the website of the Company <https://www.mangalamdrugs.com/disclosure/>.

During the Financial Year 2023-24, the Committee met once on February 13, 2024. The Composition of the CSR Committee and attendance of Members is as follows:

Name of Members	Designation	13.02.2024
Shri Govardhan M. Dhoot – Managing Director	Chairman	P
Shri Brijmohan M. Dhoot – Whole Time Director	Member	P
Smt Nidhi S. Mundada – Independent Director	Member	P

A- Absent, P-Present, N.A.-Not Applicable

#### E. INTERNAL COMPLAINT COMMITTEE FOR PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT OF WOMAN:

##### i) COMPOSITION:

The Company had constituted a committee called as Internal Complaint Committee for prevention and prohibition of Sexual Harassment of woman at workplace which consists of following members as on March 31, 2024:

Sr. No.	Name of the Member & Designation	Designation
1.	Mrs. Falguni Desai - Manager – HR & Admin	Presiding Officer
2.	Mr. Sunil Malla - Manager – HR & Admin	Member
3.	Mrs. Shweta Deshmukh - Manager – Purchase	Member
4.	Ms. Kajal Sharma - HR & Admin	Member
5.	Mr. Piyush Dhanak - Advocate & legal Advisor	External Member

Further, the Company has complied with provisions relating to constitution of Internal Complaint Committee under Sexual Harassment of woman at workplace (prevention, prohibition and Redressal) Act, 2013.

##### ii) TERMS OF REFERENCE OF COMMITTEE:

Terms of reference of the Committee has been hosted on the website of the Company at: <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Terms-of-Reference-of-all-Committees.pdf>.



**3. GENERAL BODY MEETINGS:**

**A. DETAILS OF LAST 3 ANNUAL GENERAL MEETING:**

General Meeting	48 AGM	49 AGM	50 AGM
Day, Date & Time	Friday 24.09.2024 3:30 P.M	Wednesday 28.09.2022 03:00 P.M.	Friday 29.09.2023 03.00 PM
Venue	Meeting held through Video Conferencing which is deemed to be held at 3rd Floor, Ru-pam Building, 239, P. D'Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra		
Special Resolutions in 48th AGM	a. Revision In Terms Of Remuneration Of Shri Govardhan M. Dhoot (Din:01240086) – Chairman & Managing Director Of The Company b. Re-Appointment Of Shri Brijmohan M. Dhoot (Din: 01046420) As A Whole-Time Director Of The Company For Term Of 3 Years W.e.f. August 14, 2021, Who Has Attained The Age Of Seventy Years.		
Special Resolutions in 49th AGM	a. To Approve The Increase In Borrowing Powers Of The Board Of Directors Under Section 180(1)(C) And 180(1)(A) Of The Companies, Act, 2013. b. To Approve The Increase In The Limits Applicable For Making Investments / Extending Loans And Giving Guarantees Or Providing Securities In Connection With Loans To Persons / Bodies Corporate. c. To Approve Giving Loan Or Guarantee Or Providing Security In Connection With Loan Availed By Any Other Person Specified Under Section 185 Of The Companies Act, 2013. d. To Adopt New Memorandum Of Association As Per Companies Act, 2013. e. To Adopt New Set Of Articles Of Association As Per Companies Act, 2013.		
Special Resolutions in 50th AGM	Nil		

**B. EXTRA ORDINARY GENERAL MEETINGS:**

In addition to Annual General Meeting, the Company holds Extra Ordinary General Meeting of the members of the Company as and when situation arises. During the year under review, the Company had not conducted any Extra Ordinary General Meeting.

**C. POSTAL BALLOT:**

During the year under review the Company has passed the following resolution through Postal Ballot on April 30, 2023:

- a. Special Resolution: To approve the Re-appointment of Mrs. Nidhi S. Mundada (DIN: 08134952) as an Independent Director of the Company for a second term of five consecutive years.
- b. Special Resolution: To approve continuation of Shri Govardhan Murlidhar Dhoot (DIN: 01240086) as a Managing Director of the Company on attaining age of seventy years.

**4. OTHER DISCLOSURES:**

**a) MANAGEMENT DISCLOSURES:**

The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.

**b) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

The matter has been set out in the Directors' Report.

**c) STATUS OF REGULATORY COMPLIANCES:**

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is reviewed by the Board from time to time.

**d) STRUCTURES AND PENALTIES:**

The matter has been set out in the Directors' Report.

**e) RISK MANAGEMENT FRAMEWORK:**

The matter has been set out in the Directors' Report.

**f) MAINTENANCE OF THE CHAIRMAN'S OFFICE:**

The Company has Executive Chairman, and the office provided to him for performing his executive duties is also utilized by him for discharging his duties as Chairman.

**g) MODIFIED OPINION(S) IN AUDIT REPORT:**

The matter has been set out in the Directors' Report.

**h) REPORTING OF INTERNAL AUDITOR:**

The Internal Auditor directly reports to the Audit Committee and the report of internal auditor is also placed before the Board of Directors of the Company.

**i) TOTAL FEES PAID TO STATUTORY AUDITORS OF THE COMPANY:**

M/s. V.S. Somani & Co., Chartered Accountants (ICAI FRN: 117589W) Statutory Auditor of the Company's, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the total fees paid by the Company to the statutory auditor and all entities in the network firm / entity of which the statutory auditor is a part is during the Year Rs. 5,00,000/- (Rupees Five Lakhs Only) and for the Financial Year 2023-24.

**j) PROHIBITION OF INSIDER TRADING CODE / PREVENTION OF INSIDER TRADING:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended by SEBI (Prohibition of Insider Trading) Regulations, 2015, which is effective from May 15, 2015, the Company has adopted a code of conduct for prohibition of insider trading. The Code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company. As per the Code, the trading window is closed during the time of declaration of results and material events, etc. Disclosure of shareholding is taken from all the Directors and Designated Employees and other connected persons of the Company.

In January 2015, SEBI Notified the SEBI (Prohibition of Insider Trading) Regulations, 2015. that came into effect from May 15, 2015. Pursuant thereof, the Company as a listed Company has formulated and adopted a code for prevention of Insider Trading including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, incorporating the requirements in accordance with the regulation, clarification and circulars the same are updated as and when required.

In line with the recent amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has updated its Code for prevention of Insider Trading including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is effective from April 01, 2019 also is updated as per changes in regulations from time to time.

**k) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT:**

During the year 2023-24, the Company has not raised any amount through preferential allotment or qualified institutions placement.

**l) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE PREVENTION, PROHIBITION & REDRESSAL ACT, 2013:**

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under for prevention and redressal of complaints of sexual harassment at workplace. The Company also has an Internal Committee comprising of two male and two female members. During the year under review.

- |    |                                                              |       |
|----|--------------------------------------------------------------|-------|
| a) | Number of complaints filed during the financial year         | : NIL |
| b) | Number of complaints disposed of during the financial year   | : NIL |
| c) | Number of complaints pending as on end of the financial year | : NIL |

**m) SUBSIDIARIES:**

The Company does not have any material subsidiary, as defined under Regulation 16 of the Listing Regulations and as prescribed for the purpose of Regulation 24 of the Listing Regulations. The Company has however, framed a Policy for determining Material Subsidiaries, as required pursuant to the said Regulation 16, which is available on Company's website at: <https://www.mangalamdrugs.com/investors/>

**n) WEB LINK FOR POLICY FOR DETERMINING THE MATERIAL SUBSIDIARIES:**

The policy for determining the material subsidiaries as approved by the Board may be accessed on the Company's website at the link: <https://www.mangalamdrugs.com/wp-content/uploads/2022/08/Policy-for-Determining-Material-Subsidiary.pdf>

**o) DISCLOSURE OF ACCOUNTING TREATMENT:**

There was no deviation in following the treatments prescribed in any of Accounting Standards (AS) in preparation of the Financial Statement of your Company.

**p) ACCEPTANCE OF RECOMMENDATION OF COMMITTEE:**

During the year 2023-24, all the suggestions /recommendations of all the committees of the Board, have been accepted by the Board of Directors.

**5. DISQUALIFICATION / DEBAR OF DIRECTORS OF THE COMPANY:**

A Certificate was provided by M/s. Mustafa Bohra & Associates Co. Practicing Company Secretary certifying on qualification of Directors of the Company. On the basis of certificate provided by M/s. Mustafa Bohra & Associates Co. Practicing Company Secretary the Board of Directors of the Company take a cognizance that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. Certificate provided by M/s. Mustafa Bohra & Associates Co. Practicing Company Secretary is annexed hereto and marked as Exhibit – B to this report.

**6. CEO / CFO CERTIFICATION:**

The Certificate is placed before the Board by the Chairman and Executive Director & CFO of the Company. This certificate is being given to the Board pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part B of the said regulations.

The aforesaid certificate duly signed by the Executive Director & CFO in respect of the Financial Period ended March 31 2024 has been placed before the Board in the meeting held on May 21, 2024 is annexed hereto and marked as Exhibit - C to this report.

**7. CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THERE OF:**

Certificate signed by the Managing Director stating that the members of Board and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management is annexed hereto and marked as Exhibit – D to this report.

**8. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:**

As stipulated by SEBI a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and Listed capital. This audit is carried out periodically and thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**9. MEANS OF COMMUNICATION:**

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company <https://www.mangalamdrugs.com>. The Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts / investor meets, among others, are regularly sent to Stock Exchanges and uploaded on the Company's website. Quarterly/ annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The quarterly, half-yearly and annual results were published in respective Newspapers as prescribed under Regulation 46 of SEBI LODR Regulations 2015.

The Board of Directors have approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange. The Chief Financial Officer and the Managing Director of the Company are empowered to decide on the materiality of the information for the purpose of making disclosure to the Stock Exchanges.

The Company's website [www.mangalamdrugs.com](http://www.mangalamdrugs.com) contains a separate dedicated section 'Investors' where all the information required by the shareholder is available. Annual Report of the Company, Notices of Postal Ballot, and Outcome of Board Meeting etc. are regularly updated on the website. The Company's presentations to institutional investors and analysts, if made would be put up on the website of the Company..

**10. GENERAL SHAREHOLDER INFORMATION:****a) DETAILS OF AGM HELD IN FINANCIAL 2023-24:**

Date : September 29, 2023

Day : Friday

Time : 03:30 P.M.

Venue : Meeting held through Video Conferencing which is deemed to be held at 3rd Floor, Rupam Building, 239, P. D'Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra

**b) FINANCIAL YEAR:**

April to March

**c) NAME OF THE STOCK EXCHANGE WHERE COMPANY'S SHARES ARE LISTED AND CONFIRMATION OF PAYMENT OF LISTING FEES TO STOCK EXCHANGES:**

Bombay Stock Exchange	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001, Maharashtra, India Phones: 91-022-22721233 / : 91-22-66545695	Exchange Plaza Block G, C 1, Bandra Kurla Complex, G Block, Bandra East, Mumbai – 400051, Maharashtra, India Phones: 91- 022 2659 8100

The Company has duly paid the listing fees to Bombay Stock Exchange and National Stock Exchange for the Financial Year 2023-24..

**d) DATE OF BOOK CLOSURE:**

Not Applicable.

**e) FINANCIAL CALENDAR (2023-24):**

First Quarterly Results	August 10, 2023
Second Quarterly Results	November 08, 2023
Third Quarterly Results	February 13, 2024
Financial Year ending	May 21, 2024

**f) (TENTATIVE) RESULTS FOR FINANCIAL YEAR 2024-25:**

June 30, 2024	August 13, 2024
September 30, 2024	November 14, 2024
December 31, 2024	February 14, 2025
March 31, 2025	May 30, 2025
Annual General Meeting	September 30, 2025

**g) SUSPENSION OF SECURITIES OF THE COMPANY FROM STOCK EXCHANGE:**

During the year 2023-24, the Company's securities have not been suspended from trading on NSE and BSE Limited.

**h) STOCK DETAILS OF COMPANY:**

Name of Stock Exchange	BSE and NSE
BSE Ltd (BSE) Code	Equity: 532637
National Stock Exchange of India Limited (NSE) Code	Equity: MANGALAM
ISIN No.	Equity: INE584F01014

**i) OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:**

Not Applicable

**j) DEMATERIALIZATION OF SHARES:**

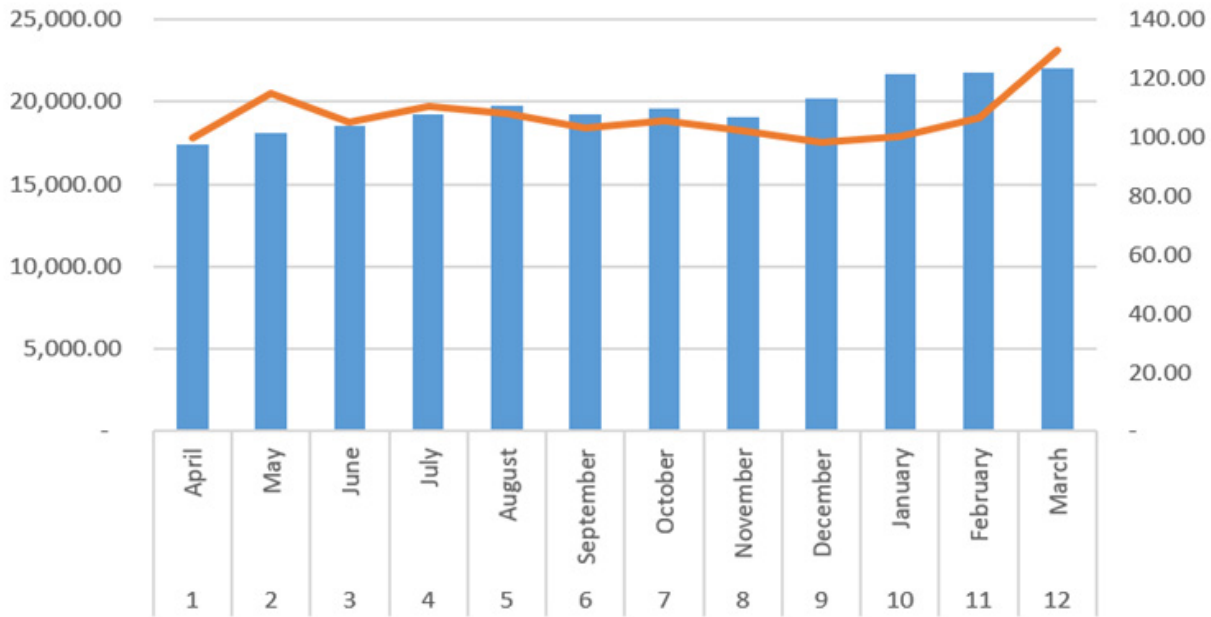
The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 99.99% of the equity shares of the company have been dematerialized as on March 31, 2024. Details of No. of shares held in dematerialized and physical mode as on March 31, 2024.

Particulars	No. of Shares	% Of Total issued Capital
Held in Dematerialized form in CDSL	59,33,721	37.49 %
Held in Dematerialized form in NSDL	98,94,517	62.51 %
Physical Form	10	0.00 %
<b>Total</b>	<b>1,58,28,248</b>	<b>100.00</b>

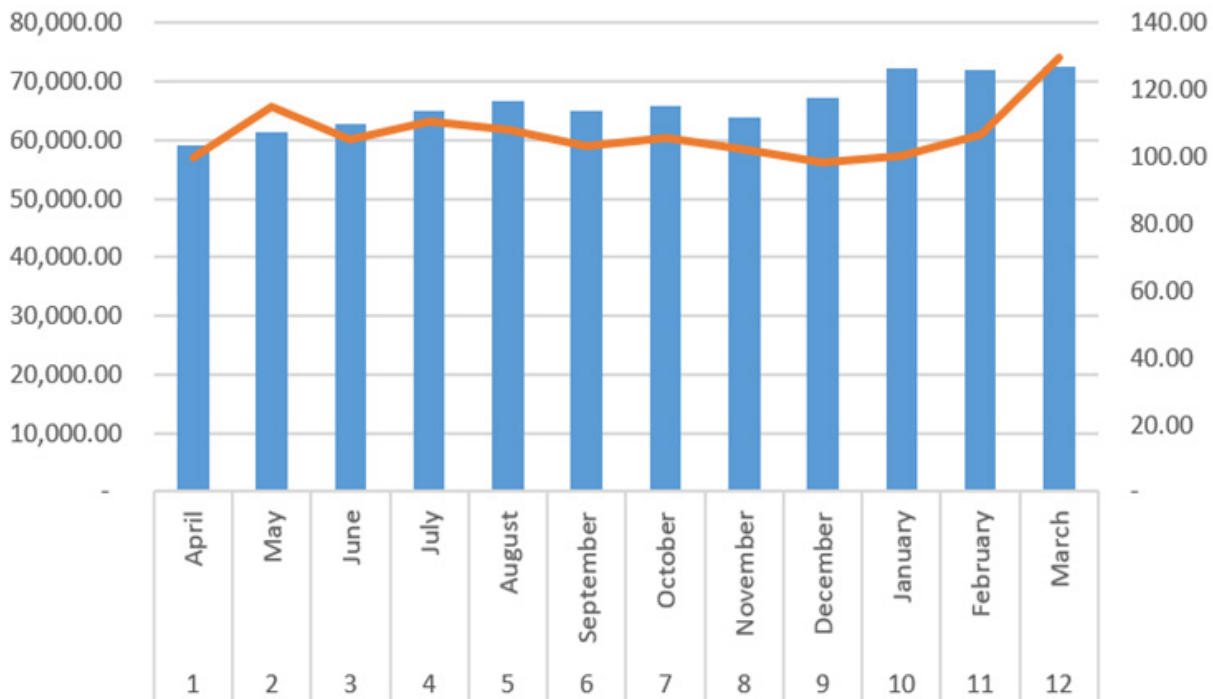


**k) PERFORMANCE IN COMPARISON TO BROAD BASED INDICES (SUCH AS SENSEX & NIFTY):**

**Mangalam VS NSE**



**Mangalam VS BSE**



i. i. BSE & NSE Vis a Vis Mangalam Drugs and Organics Limited (Equity Shares) :

i.

**l) HIGH/LOW OF MARKET PRICE OF COMPANY'S SHARES UP-TO MARCH 31, 2024:**

Month (April 2023 to March 2024)	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April	124.99	99.60	120.65	99.25
May	115.80	101.70	116.00	101.30
June	115.55	103.50	115.75	103.00
July	111.50	105.50	114.65	104.50
August	111.70	100.00	112.40	100.70
September	109.00	100.25	109.00	99.00
October	114.75	97.75	115.00	97.50
November	102.75	93.85	103.90	93.80
December	107.80	95.00	102.05	94.60
January	121.90	96.80	114.00	97.00
February	132.40	104.05	132.44	104.00
March	129.65	90.55	124.69	90.80

**m) INVESTOR SERVICES:**

The Company has appointed M/s. Link Intime India Private Limited whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, dematerialization of share certificates, subdivision /consolidation of share certificates and investor grievances.

**Details of M/s. Link Intime India Private Limited as follows:**

<b>Address</b>	C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400 083
<b>Telephone No</b>	022 – 49186000 Fax No.022 – 49186060
<b>E-mail address</b>	<a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**n) ANY QUERY ON ANNUAL REPORT CONTACT AT CORPORATE OFFICER:**

<b>Name</b>	Ms. Anuradha Pandey
<b>Designation</b>	Company Secretary and Compliance Officer
<b>Officer Address</b>	Rupam Building, 3rd Floor, 239, P. D' Mello Road Near G.P.O., Mumbai – 400001
<b>Email ID</b>	<a href="mailto:cs@mangalamdrugs.com">cs@mangalamdrugs.com</a>
<b>Telephone</b>	91 22 22616200 / 22616300

**o) FACTORY LOCATION:**

**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





**p) SHARE TRANSFER SYSTEM::**

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 21 days from the date of lodgement if documents are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

**q) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024:**

**Distribution of Shareholding as on March 31, 2024:**

Sr. No.	Category	No. of Shares held	% of holding
<b>A Promoter and Promoter Group</b>			
1.	Individual/Hindu Undivided Family	3012348	19.03
2.	Bodies Corporate	4951698	31.28
<b>Total</b>		<b>7964046</b>	<b>50.32</b>
<b>B Non-Promoter Holding</b>			
1.	Financial Institutions/Banks	306	0.00
2.	Others	-	-
a.	Individuals	7074666	44.70
b.	NBFCs registered with RBI	-	-
c.	Hindu Undivided Family	231556	1.46
d.	Bodies Corporate	357099	2.26
e.	NRIs/NRNs	164595	1.04
f.	Clearing Members	2475	0.02
g.	Foreign nationals	33505	0.21
<b>Total</b>		<b>7864202</b>	<b>49.68</b>
<b>Grand Total</b>		<b>15828248</b>	<b>100 %</b>

**Distribution of shares according to size of holding:**

From	To	No. of Shareholders	%	No. of Shares	% of total Capital
1	500	17527	89.979	1793718	11.3324
501	1000	1039	5.3339	830325	5.2458
1001	2000	428	2.1972	639435	4.0398
2001	3000	159	0.8163	404341	2.5546
3001	4000	63	0.3234	228376	1.4428
4001	5000	61	0.3132	287891	1.8188
5001	10000	95	0.4877	715705	4.5217
10001 & above		107		10928457	69.0440
<b>TOTAL</b>		<b>19479</b>	<b>100</b>	<b>15828248</b>	<b>100</b>

**r) UNCLAIMED DIVIDEND:**

Not Applicable.

**s) ADDRESS FOR CORRESPONDENCE:**

**MANGALAM DRUGS AND ORGANICS LIMITED**

Rupam Building, 3rd Floor, 239, P. D' Mello Road,  
Near G.P.O., Mumbai – 400 001, MH, India

**RTA**

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

**t) Discretionary Requirements/ Compliance With Mandatory and Non- Mandatory Provision:**

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company.

The Company complies with following non-mandatory requirements of Regulation 27 (1) of the Listing Regulations.

**u) AUDIT QUALIFICATION:**

The matter has been set out in the Directors' Report.

**For and On Behalf of the Board of Directors**

Sd/-

**Mr. Govardhan M. Dhoot**  
Chairman & Managing Director  
**DIN: 01240086**

Place : Mumbai

Date : August 13, 2024



## EXHIBIT - A (CORPORATE GOVERNANCE REPORT) AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### The Members of Mangalam Drugs and Organics Limited

1. We have examined the compliance of conditions of Corporate Governance by Mangalam Drugs and Organic Limited (hereinafter the "Company"), for the year ended on March 31, 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

2. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2024.
5. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
10. We 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.

### Restriction on Use

11. This Report 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.
12. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For V.S. Somani and Co.  
Chartered Accountants  
Firm Reg No. 117589W

Sd/-

V.S.Somani

Proprietor

M. No.: 102664

UDIN No-24102664BKEJCW2385

Place: Mumbai

Date: August 13, 2024

## EXHIBIT – B (CORPORATE GOVERNANCE REPORT)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

MANGALAM DRUGS AND ORGANICS LIMITED,  
Address: 3rd Floor, Rupam Building 239, P. D' Mello Road,  
Mumbai-400001, Maharashtra, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MANGALAM DRUGS AND ORGANICS LIMITED** having **CIN L24230MH1972PLC116413** and having registered office at 3rd Floor, Rupam Building 239, P. D' Mello Road, Mumbai - 400001, Maharashtra, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Directors, We hereby certify that none of the Directors on the Board of the Company as stated in Table A for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	Director Identification Number	Date of Appointment in Company
1.	Mr. Brijmohan Murlidhar Dhoot	01046420	02/05/2015
2.	Mr. Rakesh Kishinchand Milwani	01115469	10/03/2022
3.	Mr. Govardhan Murlidhar Dhoot	01240086	16/04/1996
4.	Mr. Rukmesh Prabhukumar Dhandhanania	02493968	20/11/2017
5.	Mr. Praveen Saxena	03199264	21/03/2021
6.	Mrs. Nidhi Shantanu Mundada	08134952	28/05/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification and documents received. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Disclaimer: We have not been made available with details or clarification or non-applicability certificate, with respect to debarment or disqualification pursuant to any order from civil or criminal court and thus we are unable to conclude any opinion on attraction of disqualification by any such order which have not been presented before us for reporting

**M/s. Mustafa Bohra & Associates**  
**Practising Company Secretaries**

Sd/-

**Mr. Mustafa Bohra**

Proprietor

ACS : A61727

C.P No: 24345

FRN: S2021MP794700

PR No: 5680

UDIN: A061727F000438609

Place : Mumbai

Date : 24.05.2024



## **EXHIBIT – C (CORPORATE GOVERNANCE REPORT) CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE**

This is to confirm that the Company has adopted the Code of Conduct for Directors and Senior Management of the Company and is available on the website of the Company.

I hereby confirm that the Company has obtained affirmation from all the Members of the Board and the Senior Management Personnel that they have complied with the Code of Conduct for the Financial Year 2023-24.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
For and On Behalf of the Board of Directors

**For and On Behalf of the Board of Directors**

Sd/-  
**Govardhan M. Dhoot**  
Managing Director

Date : August 13<sup>th</sup>, 2024  
Place : Mumbai

## EXHIBIT – D (CORPORATE GOVERNANCE REPORT)

### CEO/CFO CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Board of Directors,  
Mangalam Drugs and Organics Limited

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 results and cash flow statement for the quarter / year ended March 31, 2024, and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  2. 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 my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectifying these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee:
1. Significant changes in internal control over financial reporting during the year.
  2. Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements. and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
**Mr. Govardhan M. Dhoot**  
Managing Director  
Place : Mumbai  
Date : May 21, 2024

Sd/-  
**Mr. Ajay Samant**  
Chief Financial Officer  
Place: Mumbai  
Date: May 21, 2024



# INDEPENDENT AUDITORS' REPORT

To the Members of MANGALAM DRUGS AND ORGANICS LIMITED  
Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the standalone financial statements of Mangalam Drugs and Organics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the statement of Profit and Loss, (statement of changes in equity) and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS standalone financial statements give the information required by the Companies Act, 2013, as amended (hereinafter referred as "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, 2024 its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter Paragraph

Balances of Trade Receivables, Trade Payables, Loans and advances are subject to confirmation and reconciliation. Management has confirmed that the final impact upon reconciliation would not be material.

Our opinion is not modified in respect of these matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters to be communicated in our report for the year ended 31st March, 2024.

Key Audit Matter	Auditor's Response
Revenue Recognition — Refer to note 2 of the Standalone financial statements: Refer to Note 2.10 of the summary of significant accounting policies. The Company recognises revenue from sale of Active Pharmaceuticals Ingredients (APIs), Intermediates based on the terms and conditions of transactions which varies with different customers which define the timing of the transfer of control to the customer. For revenue recognized during the period near to the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. Dispatch of goods to the customer's location happens from multiple locations including factories, warehouses and third-party locations.	<p>Revenue recognition being subject to the manual exercise of tracking the evidence of delivery and ascertaining the revenue recognition date against each invoice, we identified the Cut-off of revenue as a key audit matter Principal audit procedures performed:</p> <ul style="list-style-type: none"> <li>• Evaluated the Company's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS).</li> <li>• Obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions including controls around the identification and reversal of cut-off sales.</li> <li>• Tested the access and change management controls of the relevant information technology system in which shipments are recorded.</li> <li>• Basis of the sales recorded during the year, performed a lead time analysis to arrive at the average lead time taken for transfer of control to the customers from the date of dispatch,</li> <li>• We selected samples from invoices recorded during such lead sales time immediately before the balance sheet date and obtained evidence of delivery to support the revenue recognition / reversal of revenue as the case may be.</li> </ul>

### Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be





communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 adequate for the purposes of our audit.
- c) 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.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has paid remuneration to its directors during the year.
- 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 has disclosed the impact of pending litigations on its financial position in its Financial Statements refer note no. 41.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advance or loaned or invested (either from borrowed funds or share premium or any other source or kind of fund) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Company from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the Understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of the Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not proposed any final dividend in the previous year, in accordance with section 123 of the Act, as applicable.
  - vi. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 the Company has used accounting software for maintaining its books of account for the financial year ended March 31st, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Standalone

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit. The back-up of audit trail (edit log) has been maintained on the servers physically located in India for financial year ended 31st March, 2024.

**For V. S. Somani and Co.,**  
Chartered Accountants  
F. R. No.117589W

Sd/-  
**Vidyadhar Somani**  
Proprietor  
MembershipNo.102664  
UDIN: 24102664BKEIZW9378

Place: Mumbai  
Date: May 21, 2024

**The Annexure A referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2024 we report that:**

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars Intangible assets
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has conducted physical verification of major fixed assets of its property, plant and equipment. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the Lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) No proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, from the banks and financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the Company with such banks and financial institutions are not in agreement with the books account of the Company

Quarter	Statements filed to bank		As per Books		Difference	
	Stock (a)	Debtors (b)	Stock (c)	Debtors (d)	Stock (a-c)	Debtors (b-d)
Q1	13,220.72	5561.66	12,381.98	5,207.27	838.74	354.39
Q2	14,009.68	3,597.30	14,052.73	2,898.77	(43.05)	698.52
Q3	11,733.23	2481.49	13,000.07	1,901.26	(1,266.84)	580.23
Q4	12,009.57	2794.35	12,363.98	2,794.42	(354.41)	(0.07)

- iii. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investment in a Company, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
  - a. During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(A) & (B) of the Order is not applicable to the Company.
  - b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. Further during the year, the Company has not provided guarantees, security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
  - c. According to the information and explanations given to us and based on the audit procedures conducted by us, during the year the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
  - d. According to the information and explanations given to us and based on the audit procedures conducted by us, during the year, the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
  - e. According to the information and explanations given to us and based on the audit procedures conducted by us, during the year the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

Standalone

- f. According to the information and explanations given to us and based on the audit procedures conducted by us, during the year the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examinations of the records of the Company, during the year, the Company has not given any loans, or provided any guarantees, or security as specified under section 185 and 186 of the Act. In respect of the investments made during the year by the Company, in our opinion the provisions of section 185 and 186 of the Act have been complied with.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence the directions issued by Reserve Bank of India in relation to sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for maintenance of cost records prescribed under sub-section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the Company examined by us, in our opinion,
- (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- Further no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees State Insurance, or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Excise duty, income tax and Securities and Exchange Board of India Act, 1992 have not been deposited by the Company on account of dispute
- | Name of the statute      | Nature of Dues | Amount (Rs. In Lacs) | Period to which the amount re-lates | Forum where dispute is pend-ing     |
|--------------------------|----------------|----------------------|-------------------------------------|-------------------------------------|
| The Income-tax Act, 1961 | Income Tax     | 2.20                 | 2017-18                             | Commissioner of Income tax Ap-peals |
- viii. During the year, there are no transactions recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) During the year, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.
- (c) During the year, term loans availed from banks were applied for the purpose for which the loans were obtained.
- (d) During the year, funds raised on short term basis have not been utilised for long term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- x. (a) During the year, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x) (a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence reporting is not applicable.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion the Company is not a Nidhi Company. Accordingly reporting under clause 3(xii)(a), (b) and (c) of the Order is not applicable
- xiii. As per information and explanation given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and the details have been disclosed in notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system which has been conducted by the Independent Chartered Accountants which is in commensurate with the size and nature of its Business.
- (b) The internal audit reports of the Company issued by him, till date of the audit report for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him, as per referred to in section 192 of the Act.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.
- xvii. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable. The Company has complied the provisions under section 135 of the Act. Hence there are no unspent amount to a Fund specified in Schedule VII to the Act.

**For V. S. Somani and Co.,**  
Chartered Accountants  
F. R. No.117589W

Sd/-  
**Vidyadhar Somani**  
Proprietor  
Membership No.102664  
UDIN: 24102664BKEIZW9378

Place: Mumbai  
Date: May 21, 2024

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Mangalam Drugs and Organics Limited. ("The Company") as of 31st March 2024 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

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

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 Act 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 Institute of Chartered Accountants of India. 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.

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 Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 (3) 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

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

In our opinion and to the best of our information and according to the explanations give to us, 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 31st March 2024, 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.

**For V.S.Somani and Co.,**  
Chartered Accountants  
F. R. No.117589W

Sd/-  
**Vidyadhar Somani**  
Proprietor  
Membership No.102664  
UDIN: 24102664BKEIZW9378

Place: Mumbai  
Date: May 21, 2024



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS :-</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	2	10,383.00	10,763.19
(b) Right to use Assets	2	2,269.40	1,951.66
(c) Capital work in progress	2	-	-
(d) Other Intangible Assets	2	2,078.17	1,521.42
(e) Intangible assets Under Development	2	773.65	948.89
(f) Financial Assets			
(i) Investments	3	3.45	0.43
(ii) Others financial assets	4	9.00	30.84
(g) Other Non Current Asset (Capital Advances)	5	219.78	255.54
<b>2 Current assets</b>			
(a) Inventories	6	12,363.97	13,746.65
(b) Financial Assets			
(i) Trade Receivables	7	2,794.42	4,653.29
(ii) Cash and cash equivalents	8	99.90	103.61
(iii) Bank Balance other than Cash and Cash Equivalents	8	0.76	0.76
(iv) Loans	9	116.54	4.55
(v) Other Financial Assets	10	2,868.79	729.91
<b>(c) Other current assets (Non Financials)</b>	11	1,733.62	1,087.68
<b>Total Assets</b>		<b>35,714.45</b>	<b>35,798.42</b>
<b>EQUITY AND LIABILITIES :-</b>			
<b>EQUITY</b>			
(a) Equity share capital	12	1,582.82	1,582.82
(b) Other Equity	13	12,651.95	13,612.80
<b>LIABILITIES</b>			
<b>1 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	1,335.41	1,876.64
(ii) Lease Liability	15	513.38	673.90
(iii) Other financial liabilities	16	0.05	0.05
(b) Deferred tax liabilities (Net)	17	1,208.59	1,451.59
(c) Other Non Current liabilities	18	327.15	229.34
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	7,459.58	4,956.71
(ii) Lease Liability	20	540.88	721.49
(iii) Trade Payables	21		
Total Outstanding dues to Micro and small enterprises		825.88	1,109.99
Total Outstanding dues of creditors other than micro and small enterprises		7,479.61	8,432.81
(iv) Other financial liabilities other than those specified in item (b)	22	849.88	625.92
(b) Provisions	23	98.96	134.44
(c) current tax liabilities	23	-	37.58
(d) other current Liabilities	24	840.31	352.34
<b>Total Equity and Liabilities</b>		<b>35,714.45</b>	<b>35,798.42</b>
<b>Significant accounting policies</b>	1		
<b>The accompanying notes are an integral part of these financial statement</b>			

As per our Report Annexed  
For V.S. Somani and Co.,  
Chartered Accountants

Sd/-  
(CA Vidyadhar Somani)  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

For and on behalf of the Board of Directors

Sd/-  
(Shri Govardhan M. Dhoot)  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
(Shri Brijmohan M. Dhoot)  
Director  
DIN: 01046420

Sd/-  
(Mr. Jayant Barde)  
Company Secretary

Sd/-  
(Mr. Ajay Samant)  
Chief Financial Officer

Place : Mumbai  
Date : May 21, 2024

Standalone

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2024**

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I Revenue from operations	25	36,735.35	37,019.54
II Other Operating Incomes	26	124.12	205.75
<b>III Total Revenue from Operations(I+II)</b>		<b>36,859.47</b>	<b>37,225.29</b>
IV Other Income	27	9.80	43.56
<b>V Total Revenue (III+IV)</b>		<b>36,869.27</b>	<b>37,268.85</b>
VI Expenses			
Cost of materials consumed	28	22,475.54	27,724.47
Purchases of Stock in Trade	29	1,065.35	1,535.52
Changes in inventories of finished goods, Stock in Trade and work in progress	30	910.33	(4,216.11)
Employee benefits expense	31	3,907.13	3,461.23
Finance costs	32	1,391.69	1,295.61
Depreciation and amortization expense		1,463.22	1,098.89
Other Expenses	33	6,761.75	6,147.86
<b>Total Expenses(VI)</b>		<b>37,975.01</b>	<b>37,047.47</b>
<b>VII Profit/(loss) before exceptional items and tax (V-VI)</b>		<b>(1,105.74)</b>	<b>221.38</b>
VIII Exceptional Items		-	-
<b>IX Profit/(loss) before tax (VII-VIII)</b>		<b>(1,105.74)</b>	<b>221.38</b>
X Tax expense:		(200.85)	94.38
(1) Current Tax		-	39.06
(2) Mat credit entitlement		-	(36.92)
(3) Short / Excess Provision of Tax		19.15	(4.76)
(4) Deferred tax	34	(220.00)	97.00
<b>XI Profit/(loss) for the period (IX-X)</b>		<b>(904.89)</b>	<b>127.00</b>
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		(78.97)	17.61
(ii) Income tax relating to above	34	23.00	(5.13)
XII Total Other Comprehensive Income (A)		(55.97)	12.48
XIII Total Comprehensive Income for the period (XI+XII)		(960.86)	139.48
XIV Earnings per equity share (Face value per equity share ₹ 10)	42		
(1) Basic (In ₹)		(5.72)	0.80
(2) Diluted (In ₹)		(5.72)	0.80
<b>Significant accounting policies</b>	1		
<b>The accompanying notes are an integral part of these financial statement</b>			

As per our Report Annexed  
**For V.S. Somani and Co.,**  
Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

Place : Mumbai  
Date : May 21, 2024

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
**(Mr. Jayant Barde)**  
Company Secretary

Sd/-  
**(Shri Brijmohan M. Dhoot)**  
Director  
DIN: 01046420

Sd/-  
**(Mr. Ajay Samant)**  
Chief Financial Officer





## Standalone Statement of Cash flow for the Year ended March 31, 2024

(Amount in Lakhs)

Particulars	For the Period ended March 31, 2024	For the Period ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items.	(1,105.74)	221.38
Add / (Less) :		
Depreciation & amortisation	1,463.22	1,098.89
Interest expenses	1,391.69	1,295.61
Dividend Income	(0.04)	(0.05)
(Gain)/loss on sale of fixed assets	5.22	0.33
Remeasurements of the defined benefit plans	(78.97)	17.60
<b>Operating profit before working capital changes</b>	<b>1,675.38</b>	<b>2,633.76</b>
Adjustment for :		
(Increase)/decrease in short term loans and advances	(111.99)	(0.95)
(Increase)/decrease in other current assets	(2,784.81)	(40.52)
(Increase)/decrease in trade receivables	1,858.87	(4.28)
(Increase)/decrease in inventory	1,382.67	(2,036.09)
(Increase)/decrease in other non-current assets	57.60	152.97
Increase/(decrease) in Other Equity	-	-
Increase/(decrease) in trade payables	(1,237.31)	4,088.10
Increase/(decrease) in other current liabilities	487.97	(190.40)
Increase/(decrease) in provisions	150.90	(1,118.65)
Increase/(decrease) in current lease liabilities	(180.61)	333.82
Increase/(decrease) in non-current liabilities	97.81	(164.54)
Increase/(decrease) in deposits	0.00	0.00
Increase/(decrease) in non current lease liabilities	(160.52)	152.50
	<b>(439.41)</b>	<b>1,171.96</b>
<b>Cash generated from operations</b>	<b>1,235.96</b>	<b>3,805.72</b>
Add / ( Less) :	-	-
Income Tax (Paid)/ Refund	(19.15)	2.62
<b>Net cash from operating activities</b>	<b>1,216.81</b>	<b>3,808.34</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets including Capital WIP	(1,791.62)	(2,791.37)
Sale of fixed assets	4.10	574.09
Sale/(Purchase) of investments	(3.02)	-
Dividend Income	0.04	0.05
<b>Net cash from investing activities</b>	<b>(1,790.50)</b>	<b>(2,217.23)</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds/(repayment) of short term borrowing	2,502.87	247.09
Proceeds/(repayment) of long term borrowing	(541.22)	(633.67)

Standalone

Particulars	For the Period ended March 31, 2024	For the Period ended March 31, 2023
Interest Paid	(1,391.69)	(1,295.61)
Dividend paid	-	-
Issue of Share	-	-
<b>Net cash used in financing activities</b>	<b>569.96</b>	<b>(1,682.19)</b>
Net increase / (decrease) in cash and cash equivalents	(3.73)	(91.08)
Cash and cash equivalents - opening balance	103.61	194.69
<b>Cash and cash equivalents - closing balance</b>	<b>99.90</b>	<b>103.61</b>
<b>Details of cash and cash equivalent at the end of the Period / Year</b>		
- Cash in hand	6.70	4.28
- Balance in current & fixed deposit accounts	93.20	99.33
<b>Total</b>	<b>99.90</b>	<b>103.61</b>

As per our Report Annexed  
**For V.S. Somani and Co.,**  
Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

Place : Mumbai  
Date : May 21, 2024

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
**(Mr. Jayant Barde)**  
Company Secretary

Sd/-  
**(Shri Brijmohan M.Dhoot)**  
Director  
DIN: 01046420

Sd/-  
**(Mr. Ajay Samant)**  
Chief Financial Officer



## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 ST March 2024

(Amount in Lakhs)

Particulars	Share capital	Reserves and surplus			Total
		Securities premium Reserve	General Reserve	Retained earnings	
<b>Balance as at March 31, 2023</b>	<b>1,582.82</b>	<b>2,237.53</b>	<b>1,079.05</b>	<b>10,296.22</b>	<b>15195.63</b>
Profit for the year				(904.89)	(904.89)
Other comprehensive Income for the year, Net of Tax				(55.97)	(55.97)
Total Comprehensive Income for the year				(960.87)	(960.87)
<b>Balance as at March 31, 2024</b>	<b>1,582.82</b>	<b>2,237.53</b>	<b>1,079.05</b>	<b>9,335.36</b>	<b>14234.77</b>

As per our Report Annexed  
For **V.S. Somani and Co.**,  
Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
**(Shri Brijmohan M.Dhoot)**  
Director  
DIN: 01046420

Sd/-  
**(Mr. Jayant Barde)**  
Company Secretary

Sd/-  
**(Mr. Ajay Samant)**  
Chief Financial Officer

Place : Mumbai  
Date : May 21, 2024

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

## Corporate Information

Mangalam Drugs and Organics Limited commenced its manufacturing of Active Pharmaceutical Ingredients (APIs) and Intermediates at VAPI – Gujarat in 1977. It has a multi-product manufacturing facility on two locations, and an inhouse Research and Development laboratory recognized by the department of Scientific and Industrial Research, Delhi Government of India (DSIR).

## 1. Significant Accounting Policies

### 1.1 Basis of Preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirement of Division II of schedule III of the Companies Act, 2013 (INDAS compliant schedule III)

### 1.2 Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable, except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

### 1.3 Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 1.4 Significant Accounting Judgements, Estimates And Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. The management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period.

#### B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a) Property, Plant and Equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In

cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of Defined Benefit Obligations

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Recognition of Deferred Tax Assets / Liabilities

A deferred tax asset / liability is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of Other Provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e) Discounting of long-term Financial Instrument

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

## 2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

## 3. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

## 4. Intangibles:

### Research & Development:

Company capitalize the Research and Development phase expense as Intangible assets in accordance with Ind AS 38;

In-process research and development project meets the definition of an intangible asset when it:

- (a) meets the definition of an asset; and
- (b) is identifiable, i.e. is separable or arises from contractual or other legal rights.

The expenditure to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended

use. Other development expenditure is recognized in profit or loss as incurred.

Acquired research and development intangible assets which are under development, are recognized as Capital Work In-Process Research and Development assets (CWIP). These assets are not amortized, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such assets is recognized in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

Amortization is recognized on a straight-line basis over the estimated useful lives of intangible assets based on its cash generation as estimated by the Management. Intangible assets that are not available for use are amortized from the date they are available for use. Generally, the useful life is similar to life of Plant & Machinery.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## 5. Inventories

Items of Inventories are measured at lower of cost and net realizable value after providing for obsolescence and damage, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incidental to purchase in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of trading and other products are determined on specific identification basis.

## 6. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial Assets

#### Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost

#### Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified into two broad categories:-

- Financial Assets at Fair Value
- Financial Assets at Amortized Cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or

recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost:-

- **Business Model Test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash Flow Characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash Flow Characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

#### **Derecognition**

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

#### **b) Impairment of financial asset**

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

#### **c) Financial Liabilities**

##### **Initial Recognition**

All financial liabilities are initially recognized at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs

##### **Subsequent Measurement**

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial

Standalone

liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 8. Leases:

The company has entered in to various contracts for lease of Equipments as per INDAS116 At inception of a contract, the company assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. The assessment of whether a contract conveys a right to control the use of an identified asset depends on whether the company obtains substantially all the economic benefits for the use of an asset and whether the company has the right to direct the use of the asset.

#### Company as a Lessee

Recognition: At the commencement date, right-of-use asset and a lease liability are recognized.

#### Measurement:

##### Right of Use Asset

At the commencement date, right-of-use asset is measured at cost.

The cost of the right-of-use asset shall comprise:

- (a) the amount of the initial measurement of the lease liability.
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

#### Lease Liability:

The lease liability is measured at the present value of the lease payments that are not paid. The lease payments are discounted using the incremental borrowing rate of the Company.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

#### Short term lease

Company has not recognized operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

#### Subsequent measurement & depreciation

Lessees accrete lease liability to reflect interest and reduce the liability to reflect lease payments made.

The depreciation requirements in Ind AS 16, Property, Plant and Equipment is applied, in depreciating the right-of-use asset, subject to the requirements. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date





to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-to-use assets are subject to impairment testing under IAS 36 Impairment of Assets.

**9. Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that there will be an outflow of resources that will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent Liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed in the financial statements.

**10. Revenue Recognition**

**Revenue from sale of goods and services:**

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied over time or at a point in time. The period over which revenue is recognised is based on right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity’s failure to perform as per the terms of the contract. An asset is transferred when (or as) the customer obtains control of that asset.

Transaction price is the amount of consideration to which a company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money

Interest and Dividend Income: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the Company’s right to receive dividend is established, which is generally when shareholders approve the dividend.

Export Incentive: Incentive on Export Income is recognized when certainty of receipts is established.

Insurance Claim: Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts.

**11. Depreciation**

Depreciation on PPE is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of The Companies Act, 2013.

The estimated useful lives are as follows:-

<b>Particulars of Assets</b>	<b>Useful life of Assets (In Years)</b>
Building	30
Plant & Equipment’s and pipe fitting	20 and 5
Furniture & Fixtures	10
Vehicles	08
Office Equipment’s	5
Electrical Installation	10
Computers	03

**12. Foreign currency reinstatement and translation:**

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates

prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

In case of items which are covered by foreign exchange contracts the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and premium paid on forward contracts if any is recognised over the life of the contract.

### 13. Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 14. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period present.

### 15. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 16. Employee Benefits

#### Short Term Employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

#### Defined Contribution Plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

#### Defined Benefit Plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments

during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

## 17. Income Taxes

### Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified year). In the year, in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

## 18. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 19. Government grants

Government grants/ subsidies are recognised when there is a reasonable assurance that the Company will comply with all the conditions attached to them and that the grant/ subsidy will be received. The Company has determined that reasonable assurance is established upon receipt of sanction letter approving the incentive amount in accordance with the respective state industrial promotion subsidy.

## 20. Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprises Cash at bank and on hand.

## 21. Segmental reporting

As the Company's business activity falls within a single primary Business Segment Viz. "Manufacturing of Bulk Drugs" and hence does not have any additional disclosure to be made under Ind AS-108 on "Operating Segments".

## 22. Current and non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

# NOTES TO Standalone Financial Statement for the year ended March 31, 2024

## NOTE : 2 PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(Amount in Lakhs)

Particulars	Land	Factory Buildings	Other Building (Resident Flat)	Plant & Machinery	Office Equipments	Furniture and fixtures	Vehicles	OTHER TANGIBLE ASSETS				TOTAL TANGIBLE ASSET	
								Computer	Laboratory Equipment	Electrical Equipments	Air Conditioner		
Gross Carrying amount													
<b>As at March 31, 2022</b>	<b>54.40</b>	<b>3,619.98</b>	<b>78.29</b>	<b>13,379.62</b>	<b>132.57</b>	<b>287.80</b>	<b>418.76</b>	<b>185.92</b>	<b>738.42</b>	<b>686.80</b>	<b>91.63</b>	<b>19,674.19</b>	
Additions		3.01	-	634.33	7.80	14.84	57.65	5.38	23.19	19.05	11.80	777.04	
Disposals				(646.15)			(8.46)				(0.25)	(654.85)	
Capitalised													
<b>As at March 31, 2023</b>	<b>54.40</b>	<b>3,622.99</b>	<b>78.29</b>	<b>13,367.80</b>	<b>140.37</b>	<b>302.64</b>	<b>467.95</b>	<b>191.30</b>	<b>761.61</b>	<b>705.84</b>	<b>103.18</b>	<b>19,796.37</b>	
Additions	-	11.02	-	443.88	1.08	1.60	102.68	6.23	42.38	6.98	6.64	622.48	
Disposals	-			(20.85)			(17.70)					(38.55)	
Capitalised													
<b>As at March 31, 24</b>	<b>54.40</b>	<b>3,634.01</b>	<b>78.29</b>	<b>13,790.83</b>	<b>141.45</b>	<b>304.24</b>	<b>552.93</b>	<b>197.53</b>	<b>803.99</b>	<b>712.82</b>	<b>109.82</b>	<b>20,380.30</b>	
Accumulated Depreciation													
<b>As at March 31, 2022</b>	<b>18</b>	<b>874</b>	<b>29</b>	<b>6,119.51</b>	<b>117</b>	<b>134.05</b>	<b>187.17</b>	<b>155.52</b>	<b>170.40</b>	<b>289</b>	<b>78</b>	<b>8,170.95</b>	
Depreciation for the year	0.55	109.99	0.86	644.32	8.08	22.42	48.05	13.17	33.84	55.28	5.25	941.80	
Disposals				(72.37)			(7.08)				(0.13)	(79.58)	
<b>As at March 31, 2023</b>	<b>18.68</b>	<b>983.82</b>	<b>29.37</b>	<b>6,691.46</b>	<b>125.13</b>	<b>156.47</b>	<b>228.14</b>	<b>168.69</b>	<b>204.24</b>	<b>344.28</b>	<b>82.89</b>	<b>9,033.18</b>	
Depreciation for the Year	0.55	110.19	0.86	692.96	4.75	22.86	50.56	7.49	41.38	56.60	5.15	993.35	
Disposals				(13.31)			(15.91)					(29.23)	
<b>As at March 31, 2024</b>	<b>19.23</b>	<b>1,094.01</b>	<b>30.24</b>	<b>7,371.11</b>	<b>129.88</b>	<b>179.33</b>	<b>262.78</b>	<b>176.18</b>	<b>245.62</b>	<b>400.88</b>	<b>88.05</b>	<b>9,997.30</b>	
NET BOOK VALUE :													
<b>As at March 31, 2023</b>	<b>35.72</b>	<b>2,639.18</b>	<b>48.92</b>	<b>6,676.33</b>	<b>15.24</b>	<b>146.17</b>	<b>239.82</b>	<b>22.61</b>	<b>557.37</b>	<b>361.57</b>	<b>20.28</b>	<b>10,763.19</b>	
<b>As at March 31, 2024</b>	<b>35.17</b>	<b>2,540.01</b>	<b>48.05</b>	<b>6,419.73</b>	<b>11.57</b>	<b>124.90</b>	<b>290.15</b>	<b>21.34</b>	<b>558.37</b>	<b>311.94</b>	<b>21.77</b>	<b>10,383.00</b>	

The existence and amounts of restriction on title, and property, plant and equipment mortgaged as security for liability (Refer Note No.14, 19 and 43 to the financial statement)

Standalone

## Note 2 : Right of Use assests

(Amount in Lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Lease Assets	Lease Office	Total	Lease Assets	Lease Office	Total
Opening net Carrying balance	2,328.06	73.38	2,401.44	1,436.07	73.39	1,509.46
Addition	446.19	40.21	486.40	891.99	-	891.99
Depreciation	514.90	103.54	618.44	385.49	64.30	449.79
<b>Total</b>	<b>2,259.35</b>	<b>10.05</b>	<b>2,269.40</b>	<b>1,942.57</b>	<b>9.09</b>	<b>1,951.66</b>

## Note 2 : Intangible Assets

(Amount in Lakhs)

Particulars	Leasehold Improvements	Reserch & Development	Computer Software	Licenses	Total
Gross Carrying amount					
As at March 31, 2022	9.59	1,068.37	119.39	-	1,197.35
Addition	-	742.68	2.49	-	745.17
As at March 31, 2023	9.59	1,811.05	121.88	-	1,942.53
Addition	-	215.81	1.77	640.40	857.97
As at March 31, 2024	9.59	2,026.86	123.65	640.40	2,800.50
Accumulated amortization					
As at March 31, 2022	0.10	247.98	114.54	-	362.62
Amortization for the year	3.20	52.86	2.43	-	58.49
As at March 31, 2023	3.29	300.84	116.97	-	421.11
Amortization for the year	3.20	89.58	2.46	205.98	301.22
As at March 31, 2024	6.49	390.43	119.43	205.98	722.33
NET BOOK VALUE :					
<b>As at March 31, 2023</b>	<b>6.30</b>	<b>1,510.20</b>	<b>4.91</b>	<b>-</b>	<b>1,521.42</b>
<b>As at March 31, 2024</b>	<b>3.10</b>	<b>1,636.43</b>	<b>4.22</b>	<b>434.41</b>	<b>2,078.17</b>

## Note-2

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible Assets	2,078.17	1,521.42
<b>Total</b>	<b>2,078.17</b>	<b>1,521.42</b>

## Note No. 2

For Intangible Assets under development

(Amount in Lakhs)

Intangible assets under development in Ageing Schedule	FY-2023-2024 to be completed in					FY-2022-2023 to be completed in				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects R & D Product Under Development --(1)	-	-	-	661.74	661.74	-	-	-	308.49	308.49
Projects in Progress --(2)	-	111.92	-	-	111.92	640.40	-	-	-	640.40
<b>Total</b>	<b>-</b>	<b>111.92</b>	<b>-</b>	<b>661.74</b>	<b>773.65</b>	<b>640.40</b>	<b>-</b>	<b>-</b>	<b>308.49</b>	<b>948.89</b>

The time required for project R &amp; D product under development to be completed more than 3 years estimated by the Management.

**Note: 3- Non Current investments**

(Amount in Lakhs)

Particulars	As At 31.03.2024		As At 31.03.2023	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Unquoted Investments				
<b>Subsidiary</b>				
Mangalam Laboratories Private Limited ( F.V ₹ 100 ) (Acquired during the year)	3,010.00	3.01	-	
<b>Others</b>				
National savings Certificate	-	0.18	-	0.18
The Greater Bombay Co-operative Bank Limited ( F.V ₹ 25)	40.00	0.01		-
The Saraswat Co-operative Bank Limited (Lien with bank) ( FV ₹10)	2,500.00	0.25	2,500	0.25
<b>Aggregate Amount of Unquoted Investment</b>		<b>3.45</b>		<b>0.43</b>

**Note: 4 - Other non-current financial assets**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits :-		
Unsecured Considered Good	9.00	30.84
<b>Total</b>	<b>9.00</b>	<b>30.84</b>

**Note: 5 - Other Non Current Asset**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances on acquisition of Property, Plant & Equipment	219.78	255.54
<b>Total</b>	<b>219.78</b>	<b>255.54</b>

**Note: 6 - Inventories**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw & Packing materials	1,635.88	2,464.01
Raw Material Stock in Transit	871.86	516.07
Trading Stock & Unbilled Services	168.96	477.08
Work-in-progress	7,434.55	6,445.49
Finished Goods	2,252.72	3,844.00
<b>Total</b>	<b>12,363.97</b>	<b>13,746.65</b>

**Note: 7 - Trade Receivables**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured :-</b>		
Considered Good	2,794.42	4,653.29
<b>Total</b>	<b>2,794.42</b>	<b>4,653.29</b>

Standalone

## Trade Receivable ageing Schedule as on March 31 ,2024

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	2,644.82	144.38	1.96	3.26	0	2,794.42
(ii) Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2,644.82</b>	<b>144.38</b>	<b>1.96</b>	<b>3.26</b>	<b>-</b>	<b>2,794.42</b>

## Trade Receivable ageing Schedule as on March 31 ,2023

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	4,622.75	18.02	11.88	0.64	0	4,653.29
(ii) Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>4,622.75</b>	<b>18.02</b>	<b>11.88</b>	<b>0.64</b>	<b>-</b>	<b>4,653.29</b>

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner , a director or a member

## Note: 8 - Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts	54.48	41.79
Deposits with maturity of less than 3 months	38.72	57.54
Cash on hand	6.70	4.28
<b>Total</b>	<b>99.90</b>	<b>103.61</b>
<b>Bank Balance other than Cash and Cash Equivalents</b>	<b>0.76</b>	<b>0.76</b>
<b>Total</b>	<b>0.76</b>	<b>0.76</b>

## Note: 9 - Loans

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured and considered good</b>		
Loan to employees	39.61	4.55
Less: Allowance for doubtful loans	-	-
Other Advances	76.93	-
<b>Total</b>	<b>116.54</b>	<b>4.55</b>





**Note: 10 - Other financial Asset**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	146.39	222.48
Other advances	14.23	153.84
Advance due from Subsidiary	2,394.24	-
Other deposits	313.93	353.59
<b>Total</b>	<b>2,868.79</b>	<b>729.91</b>

**Note:11 - Other Current Assets**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Government authorities	1,526.81	856.40
Prepaid Expenses	161.03	187.36
Other Current Asset	8.03	7.00
MAT credit entitlement	36.92	36.92
Advance Tax (Net of Provision for Tax)	0.83	-
<b>Total</b>	<b>1,733.62</b>	<b>1,087.68</b>

**Note: 12 - Share Capital**

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
<b>a) Authorised</b>				
(3,00,00,000 Equity Shares of ₹.10 Each )	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
(Previous Year: 3,00,00,000/- Equity shares of ₹ 10 each)		-		-
<b>b) Issued, subscribed and fully paid up</b>				
1,58,28,248 Equity Shares of ₹.10/-each fully paid up	1,58,28,248.00	1,582.82	1,58,28,248.00	1,582.82
(Previous Year 1,58,28,248/-Equity Shares of ₹ 10/-each)				
	<b>1,58,28,248.00</b>	<b>1,582.82</b>	<b>1,58,28,248.00</b>	<b>1,582.82</b>

**Reconciliation of the number of equity shares**

Particulars	Number of shares	(Amount in Lakhs)
<b>As at 31.03.2022</b>	<b>15,828,248.00</b>	<b>1,582.82</b>
Increase/Decrease during the year	-	-
<b>As at 31.03.2023</b>	<b>15,828,248.00</b>	<b>1,582.82</b>
Increase/Decrease during the quarter year	-	-
<b>As at 31.03.2024</b>	<b>15,828,248.00</b>	<b>1,582.82</b>

**Terms and conditions**

The Company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity share. Dividend is recommended by the Board of directors and is subject to the approval of the members at the ensuing Annual General Meeting except interim dividend. The Board of Directors have a right to deduct from the dividend payable to any member, any sum due from him to the Company.

In the event of winding up, the holders of equity shares shall be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

The shareholders have all other rights available to equity shareholders as per the provision of the Companies Act applicable in India read together with Memorandum of Association and Articles of Association of the Company, as applicable.

The Company does not have any holding Company.

**Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
<b>Equity shares of ₹.10 fully paid</b>				
1) Shri JB Pharma Private Limited (Formerly Known as Shri JB Pharma LLP)	26,50,000.00	16.74	26,50,000.00	16.74
2) Shree Kishoriju Trading and Investment Private Limited	10,98,515.00	6.94	10,98,515.00	6.94
3) Shreee Rashbihari Trading and Investment Private Limited	10,11,663.00	6.39	10,11,663.00	6.39

**Details of Promoters shares holding in the Company**

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
Equity shares of ₹.10/- fully paid				
<b>Promoter</b>				
Dhoot Govardhan Murlidhar	5,11,792.00	3.23	5,11,792.00	3.23
Dhoot Brijmohan Murlidhar	4,86,996.00	3.08	4,86,996.00	3.08
Shree Kishoriju Trading and Investment Private Limited	10,98,515.00	6.94	10,98,515.00	6.94
Shree Rasbihari Trading and Investment Private Limited	10,11,663.00	6.39	10,11,663.00	6.39
<b>Sub Total (A)</b>	<b>31,08,966.00</b>	<b>19.64</b>	<b>31,08,966.00</b>	<b>19.64</b>
<b>Promoter Group</b>				
Chandrakanta Murlidhar Dhoot	67.00	-	67.00	-
Radhika A Dhoot	2,92,500.00	1.85	2,92,500.00	1.85
Smita A. Dhoot	2,92,500.00	1.85	2,92,500.00	1.85
Rajkumari R. Dhoot	2,75,948.00	1.74	2,75,948.00	1.74
Govardhan Murlidhar Dhoot (HUF)	1,55,330.00	0.98	1,55,330.00	0.98
Dhoot Rekha Govardhan	1,48,760.00	0.94	1,48,760.00	0.94
Ajay R. Dhoot	1,38,687.00	0.88	1,38,687.00	0.88
Dhoot Jyoti Brijmohan	1,04,550.00	0.66	1,04,550.00	0.66
Aditya R. Dhoot	89,225.00	0.56	89,225.00	0.56
Brijmohan Murlidhar Dhoot (HUF)	77,473.00	0.49	77,473.00	0.49
Rajkamal Sukhani	28,520.00	0.18	28,520.00	0.18
Shweta Govardhan Dhoot	4,10,000.00	2.59	4,10,000.00	2.59
Shri Jb Pharma Private Limited (Formerly Known as Shri JB Pharma LLP)	26,50,000.00	16.74	26,50,000.00	16.74



Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
Raj Exports Private Limited	191,520.00	1.21	1,91,520.00	1.21
<b>Subtotal ( b)</b>	<b>48,55,080.00</b>	<b>30.67</b>	<b>48,55,080.00</b>	<b>30.67</b>
<b>Total (a+b)</b>	<b>79,64,046.00</b>	<b>50.31</b>	<b>79,64,046.00</b>	<b>50.31</b>

**Note: 13 - Other equity**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
A) Reserves & Surplus		
Securities premium reserve	2,237.53	2,237.53
General Reserve	1,079.05	1,079.05
Retained Earnings	9,335.36	10,296.22
B) Money received against share warrant	-	-
<b>Total</b>	<b>12,651.94</b>	<b>13,612.80</b>

**i) Securities premium reserve**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	2,237.53	2,237.53
<b>Closing Balance</b>	<b>2,237.53</b>	<b>2,237.53</b>

**ii) General Reserve**

The reserve arises on transfer portion of the net profit pursuant to earlier provisions of companies Act 1956. Mandatory transfer to general reserve is not required under the companies Act 2013.

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,079.05	1,079.05
Addition/ (deletion)	<b>1,079.05</b>	<b>1,079.05</b>

**iii) Retained earnings**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	10,296.22	10,156.74
Net profit for the period	(904.89)	127.00
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(55.97)	12.48
<b>Closing balance</b>	<b>9,335.36</b>	<b>10,296.22</b>

Standalone

**Note: 14 - Non-current borrowings**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
Term Loans		
Rupee loan from banks	1,103.86	1,767.17
Other loan from banks	140.61	109.47
	1,244.47	1,876.64
<b>Unsecured</b>		
Loan from Other Parties	90.94	-
	<b>90.94</b>	<b>-</b>
<b>Total</b>	<b>1,335.41</b>	<b>1,876.64</b>

**NOTE:**

Term loan from State Bank of India is secured by way of;

- First Pari passu charge on entire property ,plant & Equipments. of the company(both present and future).
- Second Pari passu charge on entire current property plant & equipments of the company(both present and future).
- Vehicle loans are against hypothecation of vehicles
- Other Loan are against hypothecation of current assets.
- The secured loans are against the personal guarantee given by the Managing director of the company

Name of Security	Terms of repayment
<b>Term loan from banks</b>	
(i) March 31, 2024 : 203.26 Lakhs, March 31, 2023 : 272.21 Lakhs	Repayable in 28 Monthly equal installment, Rate of Interest 9.25%.
(ii) March 31, 2024 : 138.06 Lakhs, March 31, 2023 : 193.76 Lakhs	Repayable in 24 Monthly equal installment, Rate of Interest 9.25%.
(iii) March 31, 2024 : 143.00 Lakhs, March 31, 2023 : 143.00 Lakhs	Repayable in 34 Monthly equal installment, Rate of Interest 7.50%.
(iv) March 31, 2024 : 140.59 Lakhs, March 31, 2023 : 144.41 Lakhs	Repayable in 48 Monthly equal installment, Rate of Interest 7.95%.
(v) March 31, 2024 : 195.69 Lakhs, March 31, 2023 : 210.61 Lakhs	Repayable in 46 Monthly equal installment, Rate of Interest 7.95%.
(vi) March 31, 2024 : 184.71 Lakhs, March 31, 2023 : 297.67 Lakhs	Repayable in 23 Monthly equal installment, Rate of Interest 7.95%.
(vii) March 31, 2024 : NIL Lakhs, March 31, 2023 : 17.95 Lakhs	Repayable in 00 Monthly equal installment, Rate of Interest 9.250%.
(viii) March 31, 2024 : 743.47 Lakhs, March 31, 2023 : 1013.62 Lakhs	Repayable in 37 Monthly equal installment, Rate of Interest 9.45%.
<b>Other Loans</b>	
(i) March 31, 2024 : NIL Lakhs, March 31, 2023 : 3.23 Lakhs	Repayable in 0 Monthly equal installment, Rate of Interest 7.60%.
(ii) March 31, 2024 : 42.23 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 57 Monthly equal installment, Rate of Interest 8.90%.
(iii) March 31, 2024 : 9.43 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 54 Monthly equal installment, Rate of Interest 9.4%.
(iv) March 31, 2024 : 10.54 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 56 Monthly equal installment, Rate of Interest 9.4 %.
(v) March 31, 2024 : 10.14 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 56 Monthly equal installment, Rate of Interest 9.4 %.
(vi) March 31, 2024 : 18.04 Lakhs, March 31, 2023 : 23.11 Lakhs	Repayable in 37 Monthly equal installment, Rate of Interest 7.00%.
(vii) March 31, 2024 : 10.65 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 54 Monthly equal installment, Rate of Interest 9.4 %.
(viii) March 31, 2024 : 9.99 Lakhs, March 31, 2023 : 13.28 Lakhs	Repayable in 32 Monthly equal installment, Rate of Interest 7.25%.
(ix) March 31, 2024 : 6.85 Lakhs, March 31, 2023 : 9.2 Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 7.25%.
(x) March 31, 2024 : 6.85 Lakhs, March 31, 2023 : 9.2 Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 7.25%.
(xi) March 31, 2024 : 11.81 Lakhs, March 31, 2023 : 16.16 Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 8.51%.
(xii) March 31, 2024 : 19.85 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 56 Monthly equal installment, Rate of Interest 9.25%.



Name of Security		Terms of repayment
(xiii)	March 31, 2024 : NIL Lakhs, March 31, 2023 : 6.16 Lakhs	Repayable in 0 Monthly equal installment, Rate of Interest 7.75%.
(xiv)	March 31, 2024 : 4.21 Lakhs, March 31, 2023 : 7.35 Lakhs	Repayable in 17 Monthly equal installment, Rate of Interest 7.75%.
(xv)	March 31, 2024 : 4.29 Lakhs, March 31, 2023 : 7.51 Lakhs	Repayable in 17 Monthly equal installment, Rate of Interest 7.75%.
(xvi)	March 31, 2024 : 5.10 Lakhs, March 31, 2023 : 8.64 Lakhs	Repayable in 18 Monthly equal installment, Rate of Interest 8.40%.
(xvii)	March 31, 2024 : 16.14 Lakhs, March 31, 2023 : 25.41 Lakhs	Repayable in 20 Monthly equal installment, Rate of Interest 8.00%.
(xviii)	March 31, 2024 : 15.99 Lakhs, March 31, 2023 : 25.31 Lakhs	Repayable in 20 Monthly equal installment, Rate of Interest 8.00%.
(xix)	March 31, 2024 : 0.80 Lakhs, March 31, 2023 : 4.39 Lakhs	Repayable in 7 Monthly equal installment, Rate of Interest 8.55%.
(xx)	March 31, 2024 : 7.40 Lakhs, March 31, 2023 : 9.95 Lakhs	Repayable in 32 Monthly equal installment, Rate of Interest 7.25%.
(xxi)	March 31, 2024 : NIL Lakhs, March 31, 2023 : 40.45 Lakhs	Repayable in 01 Monthly equal installment, Rate of Interest 11%.
(xxii)	March 31, 2024 : 47.00 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 27%.
(xxiii)	March 31, 2024 : 38.55 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 18 Monthly equal installment, Rate of Interest 17%.
(xxiv)	March 31, 2024 : 75.17 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 16%.
(xxv)	March 31, 2024 : 40.46 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 30 Monthly equal installment, Rate of Interest 16%.
(xxvi)	March 31, 2024 : 31.70 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 16%.
(xxvii)	March 31, 2024 : 34.25 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 30 Monthly equal installment, Rate of Interest 14.97%.
(xxviii)	March 31, 2024 : 34.33 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 12 Monthly equal installment, Rate of Interest 18%.
(xxix)	March 31, 2024 : 141.02 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 27%.
(xxx)	March 31, 2024 : 38.18 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 18%.

**Note 15: Lease Liability**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
From Non Banking Finance Company	513.38	673.90
<b>Total</b>	<b>513.38</b>	<b>673.90</b>

**Note 16: Deposits Taken**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposit from Related Party	0.05	0.05
<b>Total</b>	<b>0.05</b>	<b>0.05</b>

**Note: 17 - Deferred Tax Liability (Net)**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
On difference between book balance and tax balance of Property, Plant & Equipment	1,451.59	1,349.46
On expenditure deferred in the books but allowable for tax purposes	(23.00)	5.13
<b>Total of Deferred Tax Liability</b>	<b>1,428.59</b>	<b>1,354.59</b>
Deferred tax assets:		
Provision for Compensated absences, gratuity and other employee benefits	(220.00)	97.00
<b>Total of Deferred Tax Asset</b>	<b>(220.00)</b>	<b>97.00</b>
<b>Net deferred tax (assets)/liabilities:</b>	<b>1,208.59</b>	<b>1,451.59</b>

Standalone

**Note: 18 - Other Non current liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory remittances	192.75	82.10
Accrued salaries and benefits	134.40	147.24
<b>Total</b>	<b>327.15</b>	<b>229.34</b>

**Note: 19 - Current borrowings**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
From Banks	7,069.84	4,939.26
<b>Unsecured</b>		
From Others	389.74	17.45
<b>Total</b>	<b>7,459.58</b>	<b>4,956.71</b>

**Note:**

Working capital facilities from State Bank of India, Bank of Baroda and Bank of Maharashtra are secured by

- First Pari Passu charge on the entire current assets of the company (both present & future).
- Second Pari Passu charge on the entire Property, Plant & Equipment of the company (both present & future)
- The secured loans are against the personal guarantee given by the Managing director of the company
- The company has availed unsecured Term Loan from NBFC which are guaranteed by the Directors. These loans are availed at the interest rate of 25 to 27 % p.a

OD/CC Facility from Bank	Terms of repayment
(i) March 31, 2024 : 1886.85 Lakhs, March 31, 2023 : 1893.59 Lakhs	Repayable on demand, Rate of Interest 10.30%.
(ii) March 31, 2024 : 1839.57 Lakhs, March 31, 2023 : 1034.16 Lakhs	Repayable on demand, Rate of Interest 10.50%.
(iii) March 31, 2024 : 3343.42 Lakhs, March 31, 2023 : 2011.72 Lakhs	Repayable on demand, Rate of Interest 9.50%.

**Note 20:- Lease Liability**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
From Non Banking Finance Company	540.88	721.49
<b>Total</b>	<b>540.88</b>	<b>721.49</b>

**Note: 21 - Trade payables**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Due to Micro and Small Enterprises	825.88	1,109.99
Other Payables	7,479.61	8,432.81
<b>Total</b>	<b>8,305.49</b>	<b>9,542.80</b>



**Note :- Trade payable ageing as on March 31 2024**

Outstanding for following periods from due date of payments

(Amount in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payments				
	less than 1 years	1-2 years	2-3 years	more than 3 years	Total
(1) MSME	825.88				825.88
(2) OTHERS	7,379.66	91.53	1.30	7.12	7,479.61
(3) Disputed due -others	-	-	-	-	-
<b>Total</b>	<b>8,205.54</b>	<b>91.53</b>	<b>1.30</b>	<b>7.12</b>	<b>8,305.49</b>

**Note :- Trade payable ageing as on March 31 2023**

(Amount in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payments				
	less than 1 years	1-2 years	2-3 years	more than 3 years	Total
(1) MSME	1,109.99				1,109.99
(2) OTHERS	8,407.46	11.49	1.92	11.94	8,432.81
(3) Disputed due -others	-	-	-	-	-
<b>Total</b>	<b>9,517.45</b>	<b>11.49</b>	<b>1.92</b>	<b>11.94</b>	<b>9,542.80</b>

**Note: 22 - Other Current financial liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturities of Long Term Debt		
Rupee loan from banks	644.92	526.06
Other loan from banks	69.72	99.86
Unutilised Grant	135.24	-
<b>Total</b>	<b>849.88</b>	<b>625.92</b>

**Note: 23 - Provisions**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Expenses	98.96	134.44
<b>Total</b>	<b>98.96</b>	<b>134.44</b>

**Current tax liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax (Net of Provision for Tax)	-	37.58
<b>Total</b>	<b>-</b>	<b>37.58</b>
<b>TOTAL</b>	<b>98.96</b>	<b>172.02</b>

Standalone

**Note: 24 - Other current liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory remittances	67.46	60.29
Accrued salaries and benefits	297.88	261.36
Interest accrued but not due	8.87	4.25
Revenue received in Advance	466.10	26.44
<b>Total</b>	<b>840.31</b>	<b>352.34</b>

**Note: 25 - Revenue from operations**

(Amount in Lakhs)

Particulars	2023-2024	2022-2023
Sale of products	33,684.60	33,069.58
Sale of Scrap	16.20	24.04
Trading Sales	2,770.10	1,888.19
Engineering service charges received	-	1,639.00
Services related to Research & development	94.24	-
Gain on Exchange rate fluctuation	170.21	398.73
<b>Total</b>	<b>36,735.35</b>	<b>37,019.54</b>

**Note: 26 - Other operating income**

(Amount in Lakhs)

Particulars	2023-2024	2022-2023
Duty Drawback Rebate Claim	101.77	91.78
Rent Received	4.87	4.65
Duty refund	17.48	-
Other Operating Income	-	109.32
<b>Total</b>	<b>124.12</b>	<b>205.75</b>

**Note: 27 - Other Income**

(Amount in Lakhs)

Particulars	2023-2024	2022-2023
Dividend Income on Long-term Investments	0.04	0.05
Miscellaneous Receipts	0.18	13.80
Interest	9.44	29.51
Interest on Staff Loan	0.14	0.20
<b>Total</b>	<b>9.80</b>	<b>43.56</b>

**Note: 28 - Cost of materials consumed**

(Amount in Lakhs)

Particulars	2023-2024	2022-2023
Raw materials at the beginning of the year	2,966.76	5,141.34
Add: Purchases	22,004.21	25,549.89
Less: Raw materials at the end of the year	2,495.43	2,966.76
<b>Total</b>	<b>22,475.54</b>	<b>27,724.47</b>





**Note: 29 - Purchase of Stock in Trade**

(Amount in Lakhs)

Particulars	2023-2024	2022-2023
Purchases - Trading	1,065.35	1,535.52
<b>Total</b>	<b>1,065.35</b>	<b>1,535.52</b>

**Note: 30 - Changes in inventories of work-in-progress, stock in trade and finished goods.**

(Amount in Lakhs)

Particulars	2023-2024	2022-2023
<b>Opening Balance</b>		
Work-in progress	6,445.49	3,873.24
Finished goods	3,844.00	2,586.72
Trading Goods	477.08	90.50
<b>Total</b>	<b>10,766.57</b>	<b>6,550.46</b>
<b>Closing balance</b>		
Work-in progress	7,434.55	6,445.49
Finished goods	2,252.72	3,844.00
Trading Goods	168.97	477.08
<b>Total closing balance</b>	<b>9,856.24</b>	<b>10,766.57</b>
<b>Total changes in inventories of work-in-progress, stock in trade and finished goods.</b>	<b>910.33</b>	<b>(4,216.11)</b>

**Note: 31 - Employee benefit expenses**

(Amount in Lakhs)

Particulars	2023-2024	2022-2023
Salaries & Wages	3,525.69	3,364.74
Contributions to provident and other funds	142.43	142.75
Staff welfare expenses	146.49	165.60
Others	92.52	(211.86)
<b>Total</b>	<b>3,907.13</b>	<b>3,461.23</b>

**Note: 32 - Finance costs (net)**

(Amount in Lakhs)

Particulars	31-03-2024	31-03-2023
<b>Interest expense on:</b>		
Borrowings	897.84	782.90
<b>Others:</b>		
Bank Charges	167.27	184.75
Other Borrowing Cost	183.55	218.82
Interest on Lease Liability	143.03	109.14
<b>Total</b>	<b>1,391.69</b>	<b>1,295.61</b>

Standalone

**Note: 33 - Other expenses**

Particulars	(Amount in Lakhs)	
	31-03-2024	31-03-2023
<b>MANUFACTURING EXPENSES</b>		
Power and Fuel	2,849.67	2,558.57
Repairs to Machinery	269.45	308.30
Job Work	390.24	-
Laboratory Expenses	237.45	278.71
Testing Fees	98.44	123.02
Pollution Control Expenses	854.78	816.07
Stores and Spares	330.01	447.79
<b>ADMINISTRATIVE EXPENSES</b>		
Directors Remuneration	25.86	26.00
Corporate Social Responsibility(CSR) Expenses	1.50	50.93
Insurance Charges	117.04	108.71
Legal and Professional Fees	267.32	233.92
Miscellaneous Expenses	414.55	403.90
Rent,Rates and Taxes	58.79	60.03
Travelling and Conveyance	141.13	105.44
Loss on Sale of Asset	5.22	0.33
<b>AUDITORS REMUNERATION EXPENSES</b>		
Statutory Audit Fees	5.00	5.00
Certification fees	2.00	2.00
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement & Sales Promotion	128.47	135.57
Packing and Forwarding	164.51	205.47
Carriage Outward,Freight & Insurance	205.98	214.16
Sales Commission and Discount	194.34	63.94
<b>Total</b>	<b>6,761.75</b>	<b>6,147.86</b>

**Note : 34 - INCOME TAXES****A. Income tax (expense)/benefit recognized in the Comprehensive income statement**

(Amount in Lakhs)

Particulars	(Amount in Lakhs)	
	Year Ended March 31,2024	Year Ended March 31,2023
Current income tax charge	0.00	34.30
Adjustments in respect of current income tax of previous year.		-
Mat Credit Entitlement	0.00	(36.92)
Deferred taxes (expense)/benefit	(220.00)	97.00
<b>Income tax expense recognized in the statement of profit and loss (A)</b>	<b>(220.00)</b>	<b>94.38</b>
Income tax expense on net (gain)/loss on remeasurement of defined benefit plans	(23.00)	5.13
<b>Income Tax charged to OCI (B)</b>	<b>(23.00)</b>	<b>5.13</b>
<b>Total A+B)</b>	<b>(243.00)</b>	<b>99.51</b>



**B. Reconciliation of Tax**

(Amount in Lakhs)

Particulars	Year Ended March 31,2024	Year Ended March 31,2023
<b>Reconciliation :-</b>		
<b>ACCOUNTING PROFIT BEFORE INCOME TAX</b>	<b>(1,105.74)</b>	<b>221.38</b>
Enacted tax rate in India	29.12	29.12
<b>Computed Tax Expense</b>	<b>0.00</b>	<b>34.30</b>
<b>Add:-</b>		
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
<b>Less:-</b>		
Tax effect of income that is exempted from taxation		
Expenses allowable on payment basis		
Depreciation allowed		
Effect of incremental deduction on account of research and development and other allowances		
Tax Effect of donation		
Prior Year Tax Provision / (Reversal)	-	-
Mat Credit Entitlement	0	(36.92)
Deferred tax on difference in WDV	(220.00)	97.00
Deferred tax on disallowance		
Deferred tax on OCI	(23.00)	5.13
<b>INCOME TAX EXPENSE</b>	<b>(243.00)</b>	<b>99.51</b>

**Note no 35 - Categories of Financial Instrument**

(Amount in Lakhs)

	As at March 31,2024			As at March 31, 2023		
	Fair Value through Profit or Loss	Fair Value through OCI	Amortised cost	Fair Value through Profit or Loss	Fair Value through OCI	Amortised cost
Financial assets						
Investments:-						
In Equity Instruments( quoted)	-	-	-	-	-	-
In Equity Instruments( unquoted)	-	-	3.27	-	-	0.25
Govt Securities	-	-	0.18	-	-	0.18
Trade receivables	-	-	2794.42	-	-	4653.29
Loans	-	-	1850.16	-	-	1092.23
Cash & Cash Equivalents	-	-	99.9	-	-	103.61
security deposit	-	-	322.93	-	-	384.43
Other current assets( Capital Advances)	-	-	0	-	-	0
<b>Total Financial Assets</b>			<b>5,070.86</b>			<b>6,233.99</b>
Financial Liabilities						
Borrowings	-	-	8794.99	-	-	6833.33
Trade payables	-	-	8305.50	-	-	9542.80
Other Financial Liability	-	-	849.93	-	-	625.97
<b>Total Financial Liabilities</b>			<b>17,950.42</b>			<b>17,002.10</b>

**Note : 36****Note: :Financial Risk Management**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

**A) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

**a) Trade and Other Receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. No impairment is observed on the carrying value of trade receivables..

**b) Cash and Cash Equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

**The Working Capital Position of the Company is given below:**

Particulars	As at March 31, 2024	As at March 31, 2023
Cash & Cash Equivalent	99.90	103.61
Trade receivables	2794.42	4653.29
inventory	12363.98	13746.65
Loans & other Financial Asset	1850.16	1092.23
<b>Total</b>	<b>17,109.22</b>	<b>19,596.54</b>

**The table below provides details regarding the contractual maturities of significant financial liabilities**

Particulars	Less Than 1 year	1-3 years	Total
31.03.24			
Borrowings	7,459.58	1,335.41	8,794.99
Trade payables	8,298.38	7.12	8,305.50
other Financial Liabilities	849.93	-	849.93
<b>Total</b>	<b>16,607.89</b>	<b>1,342.53</b>	<b>17,950.42</b>



Particulars	less Than 1 year	1-3 years	Total
<b>31.03.23</b>			
Borrowings	4,956.70	1,876.63	6,833.33
Trade payables	9,530.84	11.94	9,542.78
other Financial Liabilities	625.97	-	625.97
<b>Total</b>	<b>15,113.51</b>	<b>1,888.57</b>	<b>17,002.08</b>

**NOTE : 37**

**EMPLOYEE BENEFIT PLANS**

As per actuarial report

**(a) Defined benefit plans: Gratuity**

(Amount in Lakhs)

Particulars	Gratuity	
	2023-24 funded	2022-23 funded
<b>I</b>		
Change in present value of projected benefit obligation		
Present Value of obligation as at the beginning of the period	420.66	394.74
Interest Cost	31.14	28.54
Current Service Cost	44.30	42.28
Past Service Cost		
Liability Transferred In/ Acquisitions		
Benefits Paid	(25.83)	(19.44)
Total Actuarial (Gain)/ Loss on obligation		
Actuarial Gains/(Losses) on obligations due to change in Demographic assumption		
Actuarial Gains/(Losses) on obligations due to change in financial assumption	13.27	(11.28)
Actuarial Gains/(Losses) on obligations due to experience	62.16	(14.18)
Present Value of obligation as at the end of the period	545.70	420.66
<b>II</b>		
<b>Change in fair value of plan assets during the year</b>		
Fair Value of plan assets at the beginning of the period	358.56	328.92
Adjustment to opening fair value of plan assets		
Return on Plan Assets excl. interest income	(3.54)	(7.86)
Interest Income	26.48	23.78
Employer contribution	18.32	33.16
Employee contribution		
Benefits paid	(25.83)	(19.44)
Actuarial gain/(loss) for the year on asset		
Fair Value of plan assets at the end of the period	373.99	358.56
<b>III</b>		
<b>Asset/ (liability) recognised in the balance sheet</b>		
Present value of obligation at the end of the Period	(545.70)	(420.66)
Fair Value of plan assets at the end of the Period	373.99	358.56
Funded Status (Surplus/ (Deficit))	(171.71)	(62.10)
Net (Liability)/Asset Recognized in the Balance Sheet	(171.71)	(62.10)

Standalone

(Amount in Lakhs)

Particulars	Gratuity	
	2023-24 funded	2022-23 funded
<b>IV Net Liability</b>		
PVO At the beginning of the period	420.66	394.74
Fair value of assets at beginning of period	358.56	328.92
Net Liability	62.10	65.82
<b>V Net Interest cost for the current period</b>		
Interest Expenses	31.14	28.54
Interest Income	(26.48)	(23.78)
Net Interest	4.66	4.76
<b>VI Expense recognised in the statement of profit or loss during the year</b>		
Current Service cost	44.30	42.28
Net interest cost	4.66	4.76
Past Service Cost	0.00	0.00
Total expense recognised in the employee benefit expense	48.96	47.04
<b>VII Recognised in other comprehensive income for the year</b>		
Actuarial (Gains)/Losses on Obligation For the Period	75.43	(25.46)
Return on Plan Assets, Excluding Interest Income	3.54	7.86
Change in Asset Ceiling	0.00	0.00
Net (Income)/Expense For the Period Recognized in OCI	78.97	(17.60)
<b>VIII Movement in the liability recognised in Balance Sheet</b>		
Opening Net Liability	62.10	65.82
Expenses recognised in Statement of Profit & Loss	48.96	47.04
Employer's Contribution	(18.32)	(33.16)
Expenses recognised in Other Comprehensive Income	78.97	(17.60)
Net (Income)/Expense For the Period Recognized in OCI	171.71	62.10
<b>IX Category of Assets</b>		
Cash and Cash Equivalents	-	-
Gratuity Fund	-	-
Debt Security - Government Bond	-	-
Equity Securities - Corporate debt securities	-	-
Insurance Fund	373.99	358.56
Total :-	373.99	358.56
<b>X Net interest cost for next year</b>		
Present Value of Benefit Obligation at the End of the Period	545.70	420.65
(Fair Value of Plan Assets at the End of the Period)	(373.99)	(358.56)
Net Liability/(Asset) at the End of the Period	171.71	62.10

(Amount in Lakhs)

Particulars	Gratuity	
	2023-24 funded	2022-23 funded
Interest Cost	39.45	31.14
Interest Income	(27.04)	(26.47)
	12.41	4.67
<b>XI Expense recognised in the statement of profit or loss for Next Year</b>		
Current Service cost	56.79	44.30
Net interest cost	12.41	4.67
Expected contribution by the employee	0.00	0.00
Expenses recognised	69.20	48.97
<b>XII Actuarial assumptions</b>		
Return on Plan Assets	7.23%	7.52%
Discount Rate	7.23%	7.52%
Future salary increase	10% P.A.	10% P.A.
Mortality rate during employment	Indian assured live mortality (2012-14)	Indian assured live mortality (2012-14)
Retirement Age	58 & 60 Years	60 Years
Rate of Employee Turnover	5%	5%
<b>XIII Quantitative sensitivity analysis for significant assumptions is as below</b>		
Projected benefit obligation on current assumption	420.65	420.65
a) Impact of change in discount rate		
Impact due to increase of 1%	(43.34)	(35.19)
Impact due to decrease of 1%	50.76	41.24
b) Impact of change in salary increase		
Impact due to increase of 1%	44.55	36.41
Impact due to decrease of 1%	(39.80)	(32.58)
b) Impact of change in employee turnover		
Impact due to increase of 1%	(8.53)	(6.20)
Impact due to decrease of 1%	9.71	7.06

**Note : 38 Capital Management**

The company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

**Note : 38 Capital Management (Contd.)**

(Amount in Lakhs)

<b>Debt Equity Ratio</b>		
<b>Particulars</b>	<b>March 31.2024</b>	<b>March 31.2023</b>
Gross Debt	8794.99	6,833.33
Less:		
Cash & cash Equivalent	99.90	103.61
Net Debt ( A)	8,695.09	6,729.72
Total Equity ( B)	14,234.77	15,195.63
Net Debt to Equity Ratio	0.61	0.44

**Note: 39 - Related Party Disclosures**

<b>Particulars</b>	
<b>a) Key Managerial Personnel</b>	
Shri Govardhan M. Dhoot	Chairman and Managing Director
Shri Brijmohan M.Dhoot.	Whole -Time Director
Shri Praveen Saxena	Independent Director
Shri Rukmesh Dhandhaniya	Independent Director
Shri Rakesh K Milwani	Non Executive non-independent Director
Mrs Nidhi Mundada	Independent Director
Mr. Ajay Samant	Chief Financial Officer
Mr. Jayant Barde	Company Secretary
<b>b) Relatives of Key Managerial Personnel</b>	
Mrs. Rekha G. Dhoot	
Mrs. Jyoti B. Dhoot	
Ms. Shweta G. Dhoot	
Mrs. Krishnapriya Nawal	
<b>c) Enterprise under control of Key Managerial Personnel or their relatives</b>	
Raga Organics Private Limited.	
Shri JB Pharma LLP (Upto 08-05-2023)	
Shri JB Pharma Private Limited. (w.e.f. 09-05-2023)	
<b>d) Subsidiary Company</b>	
Mangalam Laboratories Private Limited (w.e.f. 30-09-2023)	Wholly Owned Subsidiary Company





**Note : 40 Related Party transactions**

A) Details of transaction with related parties during the year ended March 31st , 2024

(Amount in Lakhs)

Particulars	Year End 31st March,2024 (FY-23-24)	Year End 31st March,2023 (FY- 22-23)	
<b>Inter Corporate Deposit Received</b>			
Raga Organics Private Limited	-	17.45	
<b>Advance given</b>			
Mangalam Laboratories Private Limited	2,394.24	-	
<b>Interest Paid on ICD</b>			
Raga Organics Private Limited	1.35	2.18	
<b>Commission on Sales</b>			
Shri J.B Pharma Private Limited	2.08	-	
<b>Legal / Professional /Tech.fees</b>			
Raga Organics Private Limited	3.25	-	
<b>Purchase Transaction :-</b>			
Shri JB Pharma Private Limited	25.99	-	
<b>Rent Deposit</b>			
Shri Govardhan M. Dhoot	7.00	7.00	
Shri JB Pharma Private Limited	0.05	0.05	
<b>Rent Received:-</b>			
Shri JB Pharma LLP	0.01	0.06	
Shri JB Pharma Private Limited	0.08	-	
Raga Organics Private Limited	0.06	0.06	
<b>Rent Paid:-</b>			
Mangalam Laboratories Private Limited (w.e.f. 30-09-2023)	2.10	-	
<b>Sitting Fees :</b>			
Shri Rakesh Milwani	KMP	0.12	0.16
Mrs Nidhi Mundada	KMP	0.30	0.42
Shri Rukmesh Dhandhaniya	KMP	0.26	0.36
Shri Praveen Saxena	KMP	0.16	0.24
<b>Total :-</b>	<b>0.84</b>	<b>1.18</b>	
<b>Mangalam D and O Limited Employees Group Gratuity Cum Life Assurance Scheme</b>	<b>129.61</b>	<b>62.10</b>	

(B) Key management personnel compensation:

(Amount in lakhs)

Particulars	Year End 31st March,2024 (FY-23-24)	Year End 31st March,2023 (FY-22-23)	
<b>Short- term employee benefits</b>			
Remuneration			
Shri Govardhan M. Dhoot	KMP	20.06	20.00
Shri Brijmohan M.Dhoot.	KMP	6.13	6.00
<b>Salary</b>			
Mr. Ajay Samant	Chief Financial Officer	26.89	26.39
Mr. Jayant Barde	Company Secretary	8.85	7.14
Mrs. Rekha G. Dhoot	Relative of KMP	29.26	29.42
Mrs. Jyoti B. Dhoot	Relative of KMP	29.26	29.42

Standalone

(Amount in lakhs)

Particulars		Year End 31st	Year End 31st
		March, 2024 (FY-23-24)	March, 2023 (FY-22-23)
Ms. Shweta G. Dhoot	Relative of KMP	8.78	8.83
Mrs. Krishnapriya Nawal	Relative of KMP	29.68	29.85
<b>Post-employment benefits</b>			
<b>Long-term employee benefits</b>			
<b>Termination benefits</b>			
Mr. Ajay Samant	Chief Financial Officer	0.75	0.69
Mr. Jayant Barde	Company Secretary	0.46	0.40
Mrs. Rekha G. Dhoot	Relative of KMP	0.58	0.58
Mrs. Jyoti B. Dhoot	Relative of KMP	0.58	0.58
Ms. Shweta G. Dhoot	Relative of KMP	0.17	0.17
Mrs. Krishnapriya Nawal	Relative of KMP	0.63	0.63

**Note: 41 - Contingent Liabilities**

(Amount in Lakhs)

Particulars	As at	As at
	March, 31, 2024	March, 31, 2023
<b>A) Performance Guarantees/ Bonds</b>		
(i) Guarantee executed in favor of Assistant Collector of Customs	-	-
(ii) (Guarantee executed in favor of Export Parties)	-	-
<b>B) Excise duty and Service Tax &amp; GST</b>	-	-
<b>C) Income Tax</b>		
ASST.YEAR- 2018-2019	2.20	2.20
<b>D) Others</b>		
(i) Guarantee given to Gujarat Gas Ltd.	194.78	184.75
(ii) Bank Guarantee given to GPCB for Compliance spelling Assurance	10.00	10.00
Bills Discounting facility	511.11	2446

**Note: 42 - Earnings per Share (Basic and Diluted)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for dividend on the preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

a) Basic Earnings Per Share	March 31, 2024	March 31, 2023
Profit for the Year (₹ In Lakhs) - (A)	(904.89)	127.00
Weighted average number of equity shares for basic and diluted EPS - (B)	15828248	15828248
Earnings Per Share – Basic and Diluted (₹) - (A/B)	(5.72)	0.80
Nominal value of an equity share (₹)	10.00	10.00

**Note: 43 - Assets Pledged as Security**

The carrying amount of assets pledged as security for current and non-current borrowing



(Amount in Lakhs)

Particular	As at March,31, 2024	As at March,31, 2023
<b>Current</b>		
<b>Financial assets</b>		
Inventories	12,363.98	13,746.65
Trade Receivables	2,794.42	4,653.29
<b>Total current assets pledged as security</b>	<b>15,158.40</b>	<b>18,399.94</b>
<b>Non-current</b>		
<b>Property, Plant &amp; Equipments (Net Block)</b>		
Land	35.17	35.72
Factory Building	2540.01	2639.18
Other Building (Resident Flat)	48.05	48.92
Plant & Machinery	6419.73	6676.33
Laboratory Equipment	558.37	557.37
Office Equipments	11.57	15.24
Electrical Equipments	311.94	361.57
Furniture and Fixtures	124.90	146.17
Vehicles	290.15	239.82
Air Conditioner	21.77	20.28
Computer	21.34	22.61
<b>Intangible Assets (Net Block)</b>		
Lease Assets (Net Block)	2259.35	1942.57
Lease office	10.05	9.09
Leasehold improvements	3.10	6.30
Computer Software	4.22	4.91
Research & Development	1636.43	1510.20
Intangible Assets	434.41	0.00
Intangible Product/ Assets under Development	773.65	948.89
<b>Total non-current assets pledged as security</b>	<b>15504.22</b>	<b>15185.16</b>
<b>Total assets pledged as security</b>	<b>30,662.62</b>	<b>33,585.10</b>

**Note: 44 - Lease**

Particular	As at March,31, 2024	As at March,31, 2023
Right of Use asset	2269.40	1951.66
Lease Liability	1054.27	1395.39
Interest Expense	143.03	109.14
Depreciation Charge	168.65	98.59

**Note: 45**

The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity, Statement of Significant Accounting Policies and the Other Explanatory Notes forms an integral part of the standalone financial statements of the Company for the year ended March 31, 2024.

## Note : 46 -Ratio analysis and its elements

Sr. No	Description	2023-24	2022-23	Numerator/Denominator	Reasons Note Nos
1	Trade receivables Turnover Ratio	36735.36	37019.55	Net Credit Sales / Average Trade Receivables	
		2794.42	4653.29		
		13.15	7.96		
2	Inventory Turnover	23385.87	23508.35	Cost of Goods Sold / Average Inventory	
		10311.40	8658.51		
		2.27	2.72		
3	Interest Coverage Ratio	285.95	1496.51	EBIT (Earning before Interest & Taxes) / Interest Expenses	
		1391.69	1295.61		
		0.21	1.16		
4	Current Ratio	19978.00	20326.45	Current Asset / Current Liability	
		18095.11	16371.28		
		1.10	1.24		
5	Debt Equity Ratio	10699.14	8854.65	Total Borrowing & Lease Liabilities / Total Equity	
		14234.76	15195.63		
		0.75	0.58		
6	Operating Margin Ratio	285.95	1496.51	Operating Income / Net sales	The sales and Operating Margin have decreased
		36735.36	37019.55		
		0.01	0.04		
7	Net Profit Margin	-904.89	127.00	Net profit / Total Revenue	decrease in turnover and increase in losses
		36859.47	37225.29		
		-0.02	0.00		
8	Return On Net Worth	-904.89	127.00	Net Income / Shareholders equity	due to losses
		14234.76	15195.63		
		-0.06	0.01		
9	Net Capital Turnover Ratio	36565.14	36620.82	Revenue from operations / Average working capital (i.e. Total current assets less Total current liabilities)	the working capital has decreased
		1882.89	3955.17		
		19.42	9.26		
10	Return on Capital Employed	285.95	1496.51	Profit Before Tax & Finance cost / Capital Employed (Net worth +Lease Liabilities + Deferred Tax Liabilities)	
		16497.61	18042.61		
		0.02	0.08		



Sr. No	Description	2023-24	2022-23	Numerator/Denominator	Reasons Note Nos
11	Debt Service coverage ratio	1950.03	2521.5	Net profit After Tax + Depreciation + Interest /	The profit have decreased
		12090.82	10150.15	Interest + Borrowing + Lease liability	
		0.16	0.25		
12	Trade Payables Turnover Ratio	23385.87	23508.35	Cost of Goods Sold / Average Trade Payables	
		8305.50	9542.81		
		2.82	2.46		
13	Return on Investment	0.04	0.05	Dividend Income + Profit on sale of Investment /	Increase in investment
		3.45	0.43	Average Investment	
		0.01	0.12		

**REASONS :-**

\* EBIT = Earnings before finance costs, tax expenses, exceptional items and other income

\*\* Interest costs include interest on borrowings, interest on lease liabilities and other financial charges, including interest capitalised and disclosed in exceptional

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**Note 47 : Other Statutory information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act 1956
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

**Note 48 :**

As on september 30,2023 the Company has acquired the 3010 shares of Mangalam Laboratories Private Limited of ₹ 100 each. Mangalam Laboratories Private Limited became wholly owned subsidiary of the Comapny.The wholly owned subsidiary consequently is not a material subsidiary of the Company.

**Note 49 :**

The Board of Directors of the Company at its meeting held on March 15, 2024 had considered and approved the scheme of Merger by Absorption of Mangalam Laboratories Private Limited ("First Transferor Company") and Shri JB Pharma Private Limited (Formerly known as Shri JB Pharma LLP) ("Second Transferor Company") with Mangalam Drugs and Organics Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme is subject to the necessary statutory and regulatory approvals including the approvals of Hon'ble National Company Law Tribunal, the shareholders and creditors of each of the companies. As on date, the Scheme is pending for disposal at both Stock Exchanges who shall issue No Objection Certificate under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Note 50 :**

Previous year figures have been regrouped/restated wherever necessary to confirm with current year's classification.

As per our Report Annexed  
**For V.S. Somani and Co.,**  
Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

Place : Mumbai  
Date : May 21, 2024

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
**(Mr. Jayant Barde)**  
Company Secretary

Sd/-  
**(Shri Brijmohan M.Dhoot)**  
Director  
DIN: 01046420

Sd/-  
**(Mr. Ajay Samant)**  
Chief Financial Officer



## INDEPENDENT AUDITORS' REPORT

To the Members of Mangalam Drugs and Organics Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Mangalam Drugs and Organics Limited (hereinafter referred to as "the Holding Company"), and its subsidiary, Mangalam Laboratories Private Limited (the Holding Company and its subsidiary referred together as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "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 consolidated state of affairs of the Group as at 31st March, 2024, of its consolidated Loss and other comprehensive income, its consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its subsidiary in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters to be communicated in our report for the Holding Company for the year ended 31st March, 2024

Key Audit Matter	Auditor's Response
<p>Revenue Recognition — Refer to note 2 of the Standalone financial statements: Refer to Note 2.10 of the summary of significant accounting policies. The Company recognises revenue from sale of Active Pharmaceuticals Ingredients (APIs), Intermediates based on the terms and conditions of transactions which varies with different customers which define the timing of the transfer of control to the customer. For revenue recognized during the period near to the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. Dispatch of goods to the customer's location happens from multiple locations including factories, warehouses and third-party locations.</p>	<p>Revenue recognition being subject to the manual exercise of tracking the evidence of delivery and ascertaining the revenue recognition date against each invoice, we identified the Cut-off of revenue as a key audit matter Principal audit procedures performed:</p> <ul style="list-style-type: none"> <li>• Evaluated the Company's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS).</li> <li>• Obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions including controls around the identification and reversal of cut-off sales.</li> <li>• Tested the access and change management controls of the relevant information technology system in which shipments are recorded.</li> <li>• Basis of the sales recorded during the year, performed a lead time analysis to arrive at the average lead time taken for transfer of control to the customers from the date of dispatch,</li> <li>• We selected samples from invoices recorded during such lead sales time immediately before the balance sheet date and obtained evidence of delivery to support the revenue recognition / reversal of revenue as the case may be.</li> </ul>





### **Information other than the Financial Statements and Auditors' Report thereon**

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and Auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Managements and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the consolidated financial position, financial performance, (changes in equity) and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company included in the Group and the respective Board of Directors of its subsidiary are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

The Consolidated Financial Statements includes the audited the financial statements of its subsidiary, whose financial statements reflects Total Assets (before consolidation adjustments) of Rs. 1744.04 Lakhs as at 31st March 2024, Total Revenues (before consolidation adjustments) of Rs. 4.20 Lakhs and Net Cash Outflows (before consolidation adjustments) amounting to Rs. 2.72 Lakhs for the Year ended on that date, as considered in the Consolidated Financial Statements, which have been audited by their respective Independent Auditor. The Subsidiary Company is not a Material Subsidiary. The consolidated financial statements also include the Group's share of Net Loss (and other comprehensive income) of Rs. 907.17 Lakhs for the year ended 31st March 2024. The subsidiary's financial statements have been audited by the other auditors whose report have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of its subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, is based solely on the reports of the other auditors and the procedures performed by us are also stated in paragraph above.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("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 paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company and its Subsidiary company incorporated in India is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has paid remuneration to its directors during the year.
- 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary company, as noted in the "Other Matters" paragraph:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements refer note no. 41.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.



- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advance or loaned or invested (either from borrowed funds or share premium or any other source or kind of fund) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Company from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the Understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of the Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not proposed any final dividend in the previous year, in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 the Company has used accounting software for maintaining its books of account for the financial year ended March 31st, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit. The back-up of audit trail (edit log) has been maintained on the servers physically located in India for financial year ended 31st March, 2024.

**For V. S. SOMANI and Co.,**  
Chartered Accountants  
F. R. No.117589W

Sd/-  
**Vidyadhar Somani**  
Proprietor  
Membership No.102664  
UDIN: 24102664BKEIZX1727

Place: Mumbai  
Date: May 21, 2024

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Mangalam Drugs and Organics Limited**

With respect to the matters specified in the Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (CARO) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, and according to the information and explanation given to us and based on the CARO report issued by us for the Company and its subsidiary issued by the another Chartered Accountant included in the Consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in those CARO reports.

Place: Mumbai  
Date: May 21, 2024

**For V. S. SOMANI and Co.,**  
Chartered Accountants  
F. R. No.117589W

Sd/-  
**Vidyadhar Somani**  
Proprietor  
MembershipNo.102664  
UDIN: 24102664BKEIZX1727

**Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Mangalam Drugs and Organics Limited**

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Subsection 3 of Section 143 of the Act

**Opinion**

In conjunction with our audit of the consolidated financial statements of Mangalam Drugs and Organics Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India under the Act, as of that date. In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of a subsidiary company, as were audited by the other auditor, the Holding Company and its subsidiary company which are incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Holding 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**

Our responsibility is to express an opinion on the Holding 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 Act 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 Institute of Chartered Accountants of India. 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.

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 Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements

**Meaning of Internal Financial Controls over Financial Reporting**

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 consolidated 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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
- (3) 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 consolidated financial statements.

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

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

Consolidated

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.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to a subsidiary company, which are company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies are not material to the Holding Company. Our opinion is not modified in respect of above matters.

**For V. S. SOMANI and Co.,**  
Chartered Accountants  
F. R. No.117589W

Sd/-  
**Vidyadhar Somani**  
Proprietor  
MembershipNo.102664  
UDIN: 24102664BKEIZX1727

Place: Mumbai  
Date: May 21, 2024



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2024
<b>ASSETS</b>		
<b>1 Non-current asset</b>		
(a) Property, Plant and Equipment	2	10,419.26
(b) Right to use Assets	2	2,269.41
(c) Capital work in progress	2	-
(d) Other Intangible Assets	2	2,078.17
(e) Intangible assets Under Development	2	773.66
(f) Financial Assets		
(i) Investments	3	0.44
(ii) Others financial assets	4	9.28
(g) Other Non Current Asset (Capital Advances)	5	219.78
<b>2 Current assets</b>		
(a) Inventories	6	12,363.98
(b) Financial Assets		
(i) Trade Receivables	7	2,794.42
(ii) Cash and cash equivalents	8	117.96
(iii) Bank Balance other than Cash and Cash Equivalents		0.76
(iv) Loans	9	116.54
(v) Other Financial Assets	10	472.55
(c) Other current assets (Non Financials)	11	1,733.80
<b>Total Assets</b>		<b>33,370.00</b>
<b>EQUITY AND LIABILITIES :-</b>		
<b>Equity</b>		
(a) Equity share capital	12	1,582.82
(b) Other Equity	13	11,996.48
<b>LIABILITIES</b>		
<b>1 Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	14	1,335.41
(ii) Lease Liability	15	513.38
(iii) Other financial liabilities	16	0.05
(b) Deferred tax liabilities (Net)	17	1,208.59
(c) Other Non Current liabilities	18	327.15
<b>2 Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	19	7,459.58
(ii) Lease Liability	20	540.88
(iii) Trade Payables	21	
Total Outstanding dues to Micro and small enterprises		825.88
Total Outstanding dues of creditors other than micro and small enterprises		5,790.32
(iv) Other financial liabilities (other than those specified in item (b))	22	849.88
(b) Provisions	23	98.96
(c) current tax liabilities	23	-
(d) other current Liabilities	24	840.61
<b>Total Equity and Liabilities</b>		<b>33,370.00</b>
<b>Significant accounting policies</b>	1	
<b>The accompanying notes are an integral part of these financial statement</b>		

As per our Report Annexed  
For V.S. Somani and Co.,  
Chartered Accountants

Sd/-  
(CA Vidyadhar Somani)  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

For and on behalf of the Board of Directors

Sd/-  
(Shri Govardhan M. Dhoot)  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
(Shri Brijmohan M. Dhoot)  
Director  
DIN: 01046420

Sd/-  
(Mr. Jayant Barde)  
Company Secretary

Sd/-  
(Mr. Ajay Samant)  
Chief Financial Officer

Place : Mumbai  
Date : May 21, 2024

Consolidated

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Lakhs)

Particulars	Note No	Year ended March 31, 2024
I Revenue from operations	25	36,735.36
II Other Operating Incomes	26	124.12
III <b>Total Revenue from Operations(I+II)</b>		<b>36,859.48</b>
IV Other Income	27	9.80
V <b>Total Revenue (III +IV)</b>		<b>36,869.28</b>
VI <b>Expenses</b>		
Cost of materials consumed	28	22,475.54
Purchases of Stock in Trade	29	1,065.35
Changes in inventories of finished goods, Stock in Trade and work in progress	30	910.33
Employee benefits expense	31	3,907.13
Finance costs	32	1,391.70
Depreciation and amortization expense		1,465.08
Other Expenses	33	6,761.47
<b>Total Expenses(VI)</b>		<b>37,976.60</b>
VII <b>Profit/(loss) before exceptional items and tax (V-VI)</b>		<b>(1,107.32)</b>
VIII Exceptional Items		-
IX <b>Profit/(loss) before tax (VII-VIII)</b>		<b>(1,107.32)</b>
X Tax expense:		(200.15)
(1) Current Tax	34	0.70
(2) Mat credit entitlement		-
(2) Short / Excess Provision of Tax		19.15
(3) Deferred tax	33	(220.00)
XI <b>Profit/(loss) for the period (IX-X)</b>		<b>(907.17)</b>
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans		(78.97)
(ii) Income tax relating to above		23.00
XII Total Other Comprehensive Income (A)		(55.97)
XIII Total Comprehensive Income for the period (XI+XII)		(963.14)
XIV Earnings per equity share (Face value per equity share ₹ 10)	36	
(1) Basic (In ₹)		(5.73)
(2) Diluted (In ₹)		(5.73)
<b>Significant accounting policies</b>	1	
<b>The accompanying notes are an integral part of these financial statement</b>		

As per our Report Annexed  
**For V.S. Somani and Co.,**  
Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
**(Shri Brijmohan M.Dhoot)**  
Director  
DIN: 01046420

Sd/-  
**(Mr. Jayant Barde)**  
Company Secretary

Sd/-  
**(Mr. Ajay Samant)**  
Chief Financial Officer

Place : Mumbai  
Date : May 21, 2024



**CONSOLIDATED OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024**

(Amount in Lakhs)

Particulars	For the Period ended March 31, 2024
<b>A. Cash flow from operating activities</b>	
Net profit before tax and extra ordinary items.	397.05
Add / (Less) :	
Depreciation & amortisation	749.28
Interest expenses	726.03
Dividend Income	(0.04)
(Gain)/loss on sale of fixed assets	7.03
Remeasurements of the defined benefit plans	(87.77)
<b>Operating profit before working capital changes</b>	<b>1,791.57</b>
Adjustment for :	
(Increase)/decrease in short term loans and advances	(106.69)
(Increase)/decrease in other current assets	1,242.61
(Increase)/decrease in trade receivables	104.67
(Increase)/decrease in inventory	1,688.76
(Increase)/decrease in other non-current assets	56.83
Increase/(decrease) in Other Equity	
Increase/(decrease) in trade payables	(1,990.42)
Increase/(decrease) in other current liabilities	(2,325.67)
Increase/(decrease) in provisions	124.80
Increase/(decrease) in current lease liabilities	(137.28)
Increase/(decrease) in non-current liabilities	97.80
Increase/(decrease) in deposits	
Increase/(decrease) in non current lease liabilities	(146.49)
	<b>(1,391.08)</b>
<b>Cash generated from operations</b>	<b>400.49</b>
Add / ( Less) :	-
Income Tax (Paid)/ Refund	(9.24)
<b>Net cash from operating activities</b>	<b>391.26</b>
<b>B. Cash flow from investing activities :</b>	
Purchase of fixed assets including Capital WIP	(1,183.27)
Sale of fixed assets	0.50
Sale/(Purchase) of investments	(0.01)
Dividend Income	0.04
<b>Net cash from investing activities</b>	<b>(1,182.74)</b>

Consolidated

Particulars	For the Period ended March 31, 2024
<b>C. Cash flow from financing activities :</b>	
Proceeds/(repayment) of short term borrowing	1,694.01
Proceeds/(repayment) of long term borrowing	(445.32)
Interest Paid	(726.03)
Dividend paid	-
Issue of Share	
<b>Net cash used in financing activities</b>	<b>522.67</b>
Net increase / (decrease) in cash and cash equivalents	(268.81)
Cash and cash equivalents - opening balance	386.78
<b>Cash and cash equivalents - closing balance</b>	<b>117.96</b>
<b>Details of cash and cash equivalent at the end of the Period / Year</b>	
- Cash in hand	6.70
- Balance in current & fixed deposit accounts	111.26
<b>Total</b>	<b>117.96</b>

As per our Report Annexed  
**For V.S. Somani and Co.,**  
Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

Place : Mumbai  
Date : May 21, 2024

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
**(Mr. Jayant Barde)**  
Company Secretary

Sd/-  
**(Shri Brijmohan M.Dhoot)**  
Director  
DIN: 01046420

Sd/-  
**(Mr. Ajay Samant)**  
Chief Financial Officer



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 ST March 2024

(Amount in Lakhs)

Particulars	Share capital	Reserves and surplus			Total
		Securities premium Reserve	General Reserve	Retained earnings	
<b>Balance as at March 31, 2023</b>	<b>1,582.82</b>	<b>2,237.53</b>	<b>1,085.66</b>	<b>9,636.41</b>	<b>14,542.44</b>
Profit for the year				(907.17)	(907.17)
Other comprehensive Income for the year, Net of Tax				(55.97)	(55.97)
Total Comprehensive Income for the year				(963.14)	(963.14)
<b>Balance as at March 31, 2024</b>	<b>1,582.82</b>	<b>2,237.53</b>	<b>1,085.66</b>	<b>8,673.27</b>	<b>13,579.30</b>

As per our Report Annexed  
**For V.S. Somani and Co.,**  
Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
Proprietor  
Membership No 102664  
Firm Registration No. 117589

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
Chairman and Managing Director  
DIN: 01240086

Sd/-  
**(Shri Brijmohan M.Dhoot)**  
Director  
DIN: 01046420

Sd/-  
**(Mr. Jayant Barde)**  
Company Secretary

Sd/-  
**(Mr. Ajay Samant)**  
Chief Financial Officer

Place : Mumbai  
Date : May 21, 2024

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.

## Note 1: Group Corporate Information

The consolidated financial statements comprise financial statements of MANGALAM DRUGS AND ORGANICS LIMITED (“the Company”) and its subsidiary Mangalam Laboratories Private Limited (collectively, “the Group”) for the year ended March 31, 2024. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company’s nature of business is manufacturing of the Active Pharmaceutical Ingredients products & Intermediates. The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors on 21st May, 2024.

### Subsidiary: -

Names	Principle activities	Country of Incorporation	% of equity interest	
			March 31 ,2024	March 31 ,2023
Mangalam Laboratories Private Limited	Manufacturing, buying, selling and dealing in organic and inorganic chemicals and heavy chemicals including but not limited to other pharmaceutical products	India	100%	NA

The company has acquired 100% equity shares of Mangalam Laboratories Private Limited (MLPL) as on 30th September 2023. Hence the MLPL is 100% wholly owned subsidiary company.

### Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31,2024

When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.



**Consolidation procedure:**

Combine items like of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the no controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

Derecognises the assets (including goodwill) and liabilities of the subsidiary

Derecognises the carrying amount of any non-controlling interests

- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components

previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

**Business Combination: -**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value as on acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss.

If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

## 1. Significant Accounting Policies

### 1.1 Basis of Preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirement of Division II of schedule III of the Companies Act, 2013 (INDAS compliant schedule III)

### 1.2 Basis of accounting

The Company maintains its accounts on an accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair values in accordance with Ind AS. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable, except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

### 1.3 Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 1.4 Significant Accounting Judgements, Estimates And Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below) that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. The management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period.

#### B. Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a) Property, Plant and Equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of Defined Benefit Obligations

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Recognition of Deferred Tax Assets / Liabilities

A deferred tax asset / liability is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

d) Recognition and measurement of Other Provision

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e) Discounting of long-term Financial Instrument

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

## 2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

## 3. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

## 4. Intangibles:

Research & Development:

Company capitalize the Research and Development phase expense as Intangible assets in accordance with Ind AS 38;

In-process research and development project meets the definition of an intangible asset when it:

- (a) meets the definition of an asset; and
- (b) is identifiable, i.e. is separable or arises from contractual or other legal rights.

The expenditure to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in profit or loss as incurred.

Acquired research and development intangible assets which are under development, are recognized as Capital Work In-Process Research and Development assets (CWIP). These assets are not amortized, but evaluated for potential impairment on an annual basis or when there

Consolidated

are indications that the carrying value may not be recoverable. Any impairment charge on such assets is recognized in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

Amortization is recognized on a straight-line basis over the estimated useful lives of intangible assets based on its cash generation as estimated by the Management. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortisation of Intangible is over a period of three years.

## 5. Inventories

Items of Inventories are measured at lower of cost and net realizable value after providing for obsolescence and damage, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incidental to purchase in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of trading and other products are determined on specific identification basis.

## 6. Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial Assets

#### Initial Recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost

#### Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified into two broad categories:-

- Financial Assets at Fair Value
- Financial Assets at Amortized Cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost:-

- Business Model Test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.



A financial asset that meets the following two conditions is measured at fair value through OCI:-

- Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

### **Derecognition**

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

#### **b) Impairment of financial asset**

For impairment of financial assets, Company applies expected credit loss (ECL) model. Following financial assets and credit risk exposure are covered within the ECL model:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including receivables recognised under service concession arrangements.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL.

### **C) Financial Liabilities**

#### **Initial Recognition**

All financial liabilities are initially recognized at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs

#### **Subsequent Measurement**

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**8. Leases:**

The company has entered in to various contracts for lease of Equipment as per INDAS116. At inception of a contract, the company assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. The assessment of whether a contract conveys a right to control the use of an identified asset depends on whether the company obtains substantially all the economic benefits for the use of an asset and whether the company has the right to direct the use of the asset.

**Company as a Lessee**

Recognition: At the commencement date, right-of-use asset and a lease liability are recognized.

**Measurement:****Right of Use Asset**

At the commencement date, right-of-use asset is measured at cost.

The cost of the right-of-use asset shall comprise:

- (a) the amount of the initial measurement of the lease liability.
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

**Lease Liability:**

The lease liability is measured at the present value of the lease payments that are not paid. The lease payments are discounted using the incremental borrowing rate of the Company.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

**Short term lease**

Company has not recognized operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

**Subsequent measurement & depreciation**

Lessees accrete lease liability to reflect interest and reduce the liability to reflect lease payments made.

The depreciation requirements in Ind AS 16, Property, Plant and Equipment is applied, in depreciating the right-of-use asset, subject to the requirements. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-to-use assets are subject to impairment testing under IAS 36 Impairment of Assets.

**9. Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that there will be an outflow of resources that will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent Liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed in the financial statements.

## 10. Revenue Recognition

Revenue from sale of goods and services:

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied over time or at a point in time. The period over which revenue is recognised is based on right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract. An asset is transferred when (or as) the customer obtains control of that asset.

Transaction price is the amount of consideration to which a company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money

Interest and Dividend Income: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Export Incentive: Incentive on Export Income is recognized when certainty of receipts is established.

Insurance Claim: Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts.

## 11. Depreciation

Depreciation on PPE is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of The Companies Act, 2013.

The estimated useful lives are as follows:-

Particulars of Assets	Useful life of Assets (In Years)
Building including factory building	30
Plant & Equipment's and pipe fitting	20 and 5
Furniture & Fixtures	10
Vehicles	08
Office Equipment's	5
Electrical Installation	10
Computers	03

## 12. Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

In case of items which are covered by foreign exchange contracts the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and premium paid on forward contracts if any is recognised over the life of the contract.

### 13. Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 14. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period present.

### 15. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 16. Employee Benefits

#### Short Term Employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

#### Defined Contribution Plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

#### Defined Benefit Plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

## 17. Income Taxes

### Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified year). In the year, in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

## 18. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Consolidated

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 19. Grants

Grants/ subsidies are recognised when there is a reasonable assurance that the Company will comply with all the conditions attached to them and that the grant/ subsidy will be received. The Company has determined that reasonable assurance is established upon receipt of sanction letter approving the incentive amount in accordance with the respective state industrial promotion subsidy.

Revenue grants are recognised as per conditions giving rise to costs and expenses which determines the periods over which the grant is recognised and is allocated systematically over the period.

## 20. Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprises Cash at bank and on hand.

## 21. Segmental reporting

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## 22. Earnings per share ("EPS")

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company after adjusting of dilution shares by the weighted average number of equity shares outstanding during the year plus weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares

## 23. Current and non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is classified as current when it is:**

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**All other liabilities are classified as non-current.**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

## NOTES TO Consolidated Financial Statement for the year ended March 31, 2024

### NOTE : 2 PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(Amount in Lakhs)

Particulars	Land	Factory Buildings	Other Building (Resident Flat)	Plant & Machinery	Office Equipments	Furniture and fixtures	Vehicles	OTHER TANGIBLE ASSETS			TOTAL TANGIBLE ASSET	
								Computer Equipment	Laboratory Equipments	Air Conditioner		
<b>Gross Carrying amount</b>												
As at March 31, 2023	54.40	3,622.99	78.29	13,367.80	140.37	302.64	467.95	191.30	761.61	705.84	103.18	19,796.37
Additions	-	11.02	-	443.88	1.08	1.60	102.68	6.23	42.38	6.98	6.64	622.48
On Consolidation (Subsidiary)	58.51											58.51
Disposals	-	-	-	(20.85)	-	-	(17.70)	-	-	-	-	(38.55)
Capitalised												
As at March 31, 2024	112.91	3,634.01	78.29	13,790.83	141.45	304.24	552.93	197.53	803.99	712.82	109.82	20,438.81
<b>Accumulated Depreciation</b>												
On Consolidation	20.40											20.40
As at March 31, 2023	18.68	983.82	29.37	6,691.46	125.13	156.47	228.14	168.69	204.24	344.28	82.89	9,033.18
Depreciation for the Year	2.40	110.19	0.86	692.96	4.75	22.86	50.56	7.49	41.38	56.60	5.15	995.21
Disposals	-	-	-	(13.31)	-	-	(15.91)	-	-	-	-	(29.23)
As at March 31, 2024	41.49	1,094.01	30.24	7,371.11	129.88	179.33	262.78	176.18	245.62	400.88	88.05	10,019.55
<b>NET BOOK VALUE :</b>												
As at March 31, 2023	35.72	2,639.18	48.92	6,676.33	15.24	146.17	239.82	22.61	557.37	361.57	20.28	10,763.19
As at March 31, 2024	71.43	2,540.01	48.05	6,419.73	11.57	124.90	290.15	21.34	558.37	311.94	21.77	10,419.26

The existence and amounts of restriction on title, and property, plant and equipment mortgaged as security for liability (Refer Note No.14, 19 and 43 to the financial statement)

Consolidated

## Note 2 : Right of Use assests

(Amount in Lakhs)

Particulars	As at March 31, 2024		
	Lease Assets	Lease Office	Total
Opening net Carrying balance	2,328.06	73.38	2,401.45
Addition during the year	446.19	40.21	486.40
Depreciation	514.90	103.54	618.44
<b>Total</b>	<b>2,259.35</b>	<b>10.05</b>	<b>2,269.41</b>

## Note 2 : Intangible Assets

(Amount in Lakhs)

Particulars	Leasehold Improvements	Reserch & Development	Computer Software	Licences	Total
Gross Carrying amount					
<b>As at March 31, 2023</b>	<b>9.59</b>	<b>1,811.05</b>	<b>121.88</b>	<b>-</b>	<b>1,942.53</b>
Addition	-	215.81	1.77	640.40	857.97
<b>As at March 31, 2024</b>	<b>9.59</b>	<b>2,026.86</b>	<b>123.65</b>	<b>640.40</b>	<b>2,800.50</b>
Accumulated amortization					
<b>As at March 31, 2023</b>	<b>3.29</b>	<b>300.84</b>	<b>116.97</b>	<b>-</b>	<b>421.11</b>
Amortization for the year	3.20	89.58	2.46	205.98	301.22
<b>As at March 31, 2024</b>	<b>6.49</b>	<b>390.43</b>	<b>119.43</b>	<b>205.98</b>	<b>722.33</b>
NET BOOK VALUE :					
As at March 31, 2023	6.30	1,510.20	4.91	-	1,521.42
<b>As at March 31, 2024</b>	<b>3.10</b>	<b>1,636.43</b>	<b>4.22</b>	<b>434.41</b>	<b>2,078.17</b>

## Note-2

(Amount in Lakhs)

Particulars	As at March 31, 2024
Intangible Assets	2,078.17
<b>Total</b>	<b>2,078.17</b>

## Note No. 2

For Intangible Assets under development

(Amount in Lakhs)

Intangible assets under development in Ageing Schedule	FY-2023-2024 to be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects R & D Product Under Development --- (1)	-	-	-	661.74	661.74
Projects in Progress --(2)	-	111.92	-	-	111.92
<b>Total</b>	<b>-</b>	<b>111.92</b>	<b>-</b>	<b>661.74</b>	<b>773.66</b>

The time required for project R & D product under development to be completed more than 3 years is estimated by the Management.





**Note: 3 - Non Current investments**

(Amount in Lakhs)

Particulars	As At 31.03.24	
	No. of Shares	₹ In Lakhs
Unquoted Investments		
National Savings Certificate		0.18
The Greater Bombay Co-operative Bank Limited (F.V. ₹ 25)	40.00	0.01
The Saraswat Co-operative Bank Limited (Lien with bank)(F.V. ₹ 10)	2,500.00	0.25
<b>Aggregate Amount of Unquoted Investment</b>	<b>2,540.00</b>	<b>0.44</b>

**Note: 4 - Other non-current financial assets**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Security Deposits :-	
Unsecured Considered Good	9.16
Other Loan to Related Party	0.12
<b>Total</b>	<b>9.28</b>

**Note: 5 - Other Non Current Asset**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Capital Advances on acquisition of Property, Plant & Equipment	219.78
<b>Total</b>	<b>219.78</b>

**Note: 6 - Inventories**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Raw & Packing materials	1,635.88
Raw Material Stock in Transit	871.86
Trading Stock & Unbilled Services	168.97
Work-in-progress	7,434.55
Finished Goods	2,252.72
<b>Total</b>	<b>12,363.98</b>

**Note: 7 - Trade Receivables**

(Amount in Lakhs)

Particulars	As at March 31, 2024
<b>Unsecured :-</b>	
Considered Good	2,794.42
<b>Total</b>	<b>2,794.42</b>

Consolidated

## Trade Receivable ageing Schedule as on March 31 , 2024

(Amount in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	2,644.82	144.38	1.96	3.26	0	2,794.42
(ii) Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2,644.82</b>	<b>144.38</b>	<b>1.96</b>	<b>3.26</b>	<b>-</b>	<b>2,794.42</b>

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner , a director or a member

## Note: 8 - Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at March 31, 2024
Balances with banks	
- in current accounts	72.54
Deposits with maturity of less than 3 months	38.72
Cash on hand	6.70
<b>Total</b>	<b>117.96</b>
<b>Bank Balance other than Cash and Cash Equivalents</b>	<b>0.76</b>
<b>Total</b>	<b>0.76</b>

## Note: 9 - Loans

(Amount in Lakhs)

Particulars	As at March 31, 2024
<b>Unsecured and considered good</b>	
Loan to employees	39.61
Less: Allowance for doubtful loans	-
Other Advances	76.93
<b>Total</b>	<b>116.54</b>

## Note: 10 - Other financial Asset

(Amount in Lakhs)

Particulars	As at March 31, 2024
Capital Advances	146.39
other advances	14.23
other deposits	311.93
<b>Total</b>	<b>472.55</b>



**Note:11 - Other Current Assets (Non Financials)**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Balance with Government authorities	1,526.81
Prepaid Expenses	161.03
Other Current Asset	8.03
MAT credit entitlement	36.92
Advance Tax (Net of Provision for Tax)	1.01
<b>Total</b>	<b>1,733.80</b>

**Note: 12 - Share Capital**

	As at March 31, 2024	
	Number of shares	₹ in Lakhs
<b>a) Authorised</b>		
(3,00,00,000 Equity Shares of ₹10 Each )	3,00,00,000.00	3,000.00
(Previous Year: 3,00,00,000/-Equity shares of ₹10 each)		-
	<b>3,00,00,000.00</b>	<b>3,000.00</b>
<b>b) Issued, subscribed and fully paid up</b>		
1,58,28,248 Equity Shares of ₹10/-each fully paid up	1,58,28,248.00	1,582.82
(Previous Year 1,58,28,248/-Equity Shares of ₹10/-each)		
	<b>1,58,28,248.00</b>	<b>1,582.82</b>

**Reconciliation of the number of equity shares**

Particulars	Number of shares	(Amount in Lakhs)
<b>As at 31.03.2023</b>	1,58,28,248.00	1,582.82
Increase/Decrease during the quarter	-	-
<b>As at 31.03.2024</b>	1,58,28,248.00	1,582.82

**Terms and conditions**

The Company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity share. Dividend is recommended by the Board of directors and is subject to the approval of the members at the ensuing Annual General Meeting except interim dividend. The Board of Directors have a right to deduct from the dividend payable to any member, any sum due from him to the Company.

In the event of winding up, the holders of equity shares shall be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

The shareholders have all other rights available to equity shareholders as per the provision of the Companies Act applicable in India read together with Memorandum of Association and Articles of Association of the Company, as applicable.

## Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024	
	Number of Shares	% of holding
<b>Equity shares of ₹10 fully paid</b>		
1) Shri JB Pharma Private Limited (Formerly Known as Shri JB Pharma LLP)	26,50,000.00	16.74
2) Shree Kishoriju Trading and Investment Private Limited	10,98,515.00	6.94
3) Shreee Rashbihari Trading and Investment Private Limited	10,11,663.00	6.39

## Details of Promoters shares holding in the Company

Name of the shareholder	As at March 31, 2024	
	Number of Shares	% of holding
Equity shares of ₹10/- fully paid		
<b>Promoter</b>		
Dhoot Govardhan Murlidhar	5,11,792.00	3.23
Dhoot Brijmohan Murlidhar	4,86,996.00	3.08
Shree Kishoriju Trading and Investment Private Limited	10,98,515.00	6.94
Shree Rasbihari Trading and Investment Private Limited	10,11,663.00	6.39
<b>Sub Total (A)</b>	<b>31,08,966.00</b>	<b>19.64</b>
<b>Promoter Group</b>		
Chandrakanta Murlidhar Dhoot	67.00	-
Radhika A Dhoot	2,92,500.00	1.85
Smita A. Dhoot	2,92,500.00	1.85
Rajkumari R. Dhoot	2,75,948.00	1.74
Govardhan Murlidhar Dhoot (HUF)	1,55,330.00	0.98
Dhoot Rekha Govardhan	1,48,760.00	0.94
Ajay R. Dhoot	1,38,687.00	0.88
Dhoot Jyoti Brijmohan	1,04,550.00	0.66
Aditya R. Dhoot	89,225.00	0.56
Brijmohan Murlidhar Dhoot (HUF)	77,473.00	0.49
Rajkamal Sukhani	28,520.00	0.18
Shweta Govardhan Dhoot	4,10,000.00	2.59
Shri Jb Pharma Private Limited (Formerly Known as Shri JB Pharma LLP)	26,50,000.00	16.74
Raj Exports Private Limited	1,91,520.00	1.21
<b>Subtotal ( b)</b>	<b>48,55,080.00</b>	<b>30.67</b>
<b>Total (a+b)</b>	<b>79,64,046.00</b>	<b>50.31</b>

## Note: 13 - Other equity

(Amount in Lakhs)

Particulars	As at March 31, 2024
A) Reserves & Surplus	
Securities premium reserve	2,237.53
General Reserve	1,085.66
Retained Earnings	8,673.29
B) Money received against share warrant	-
<b>Total Reserves and Surplus</b>	<b>11,996.48</b>

**i) Securities premium reserve**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(Amount in Lakhs)

Particulars	As at March 31, 2024
Opening Balance	2,237.53
<b>Closing Balance</b>	<b>2,237.53</b>

**ii) General Reserve**

The reserve arises on transfer portion of the net profit pursuant to earlier provisions of companies Act 1956. Mandatory transfer to general reserve is not required under the companies Act 2013.

(Amount in Lakhs)

Particulars	As at March 31, 2024
Opening Balance	1,079.05
General Reserve on consolidation	6.61
Addition/ (deletion)	-
<b>Closing Balance</b>	<b>1,085.66</b>

**iii) Retained earnings**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Opening balance	10,296.22
Net profit for the period	(907.17)
Opening balance on consolidation	(659.81)
Items of other comprehensive income recognised directly in retained earnings	-
Remeasurements of post-employment benefit obligation, net of tax	(55.97)
<b>Closing balance</b>	<b>8,673.27</b>

**Note: 14 - Non-current borrowings**

(Amount in Lakhs)

Particulars	As at March 31, 2024
<b>Secured</b>	
Term Loans	
Rupee loan from banks	1,103.86
Other loan from banks	140.61
	1,244.47
<b>Unsecured</b>	
Loan from related Party	90.94
	<b>90.94</b>
<b>Total</b>	<b>1,335.41</b>

**NOTE:**

Term loan from State Bank of India is secured by way of;

- First Pari passu charge on entire Property, Plant and Equipments of the Company(both present and future).
- Second Pari passu charge on entire current assets of the Company(both present and future).
- Vehicle loans are against hypothecation of vehicles
- Other Loan are against hypothecation of current assets.
- The secured loans are against the personal guarantee given by the Managing director of the Company

Name of Security		Terms of repayment
<b>Term loan from banks</b>		
(i)	March 31, 2024 : 203.26 Lakhs, March 31, 2023 : 272.21 Lakhs	Repayable in 28 Monthly equal installment, Rate of Interest 9.25%.
(ii)	March 31, 2024 : 138.06 Lakhs, March 31, 2023 : 193.76 Lakhs	Repayable in 24 Monthly equal installment, Rate of Interest 9.25%.
(iii)	March 31, 2024 : 143.00 Lakhs, March 31, 2023 : 143.00 Lakhs	Repayable in 34 Monthly equal installment, Rate of Interest 7.50%.
(iv)	March 31, 2024 : 140.59 Lakhs, March 31, 2023 : 144.41 Lakhs	Repayable in 48 Monthly equal installment, Rate of Interest 7.95%.
(v)	March 31, 2024 : 195.69 Lakhs, March 31, 2023 : 210.61 Lakhs	Repayable in 46 Monthly equal installment, Rate of Interest 7.95%.
(vi)	March 31, 2024 : 184.71 Lakhs, March 31, 2023 : 297.67 Lakhs	Repayable in 23 Monthly equal installment, Rate of Interest 7.95%.
(vii)	March 31, 2024 : NIL Lakhs, March 31, 2023 : 17.95 Lakhs	Repayable in 00 Monthly equal installment, Rate of Interest 9.250%.
(viii)	March 31, 2024 : 743.47 Lakhs, March 31, 2023 : 1013.62 Lakhs	Repayable in 37 Monthly equal installment, Rate of Interest 9.45%.
<b>Other Loans</b>		
(i)	March 31, 2024 : NIL Lakhs, March 31, 2023 : 3.23 Lakhs	Repayable in 0 Monthly equal installment, Rate of Interest 7.60%.
(ii)	March 31, 2024 : 42.23 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 57 Monthly equal installment, Rate of Interest 8.90%.
(iii)	March 31, 2024 : 9.43 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 54 Monthly equal installment, Rate of Interest 9.4%.
(iv)	March 31, 2024 : 10.54 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 56 Monthly equal installment, Rate of Interest 9.4%.
(v)	March 31, 2024 : 10.14 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 56 Monthly equal installment, Rate of Interest 9.4%.
(vi)	March 31, 2024 : 18.04 Lakhs, March 31, 2023 : 23.11 Lakhs	Repayable in 37 Monthly equal installment, Rate of Interest 7.00%.
(vii)	March 31, 2024 : 10.65 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 54 Monthly equal installment, Rate of Interest 9.4%.
(viii)	March 31, 2024 : 9.99 Lakhs, March 31, 2023 : 13.28 Lakhs	Repayable in 32 Monthly equal installment, Rate of Interest 7.25%.
(ix)	March 31, 2024 : 6.85 Lakhs, March 31, 2023 : 9.2 Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 7.25%.
(x)	March 31, 2024 : 6.85 Lakhs, March 31, 2023 : 9.2 Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 7.25%.
(xi)	March 31, 2024 : 11.81 Lakhs, March 31, 2023 : 16.16 Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 8.51%.
(xii)	March 31, 2024 : 19.85 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 56 Monthly equal installment, Rate of Interest 9.25%.
(xiii)	March 31, 2024 : NIL Lakhs, March 31, 2023 : 6.16 Lakhs	Repayable in 0 Monthly equal installment, Rate of Interest 7.75%.
(xiv)	March 31, 2024 : 4.21 Lakhs, March 31, 2023 : 7.35 Lakhs	Repayable in 17 Monthly equal installment, Rate of Interest 7.75%.
(xv)	March 31, 2024 : 4.29 Lakhs, March 31, 2023 : 7.51 Lakhs	Repayable in 17 Monthly equal installment, Rate of Interest 7.75%.
(xvi)	March 31, 2024 : 5.10 Lakhs, March 31, 2023 : 8.64 Lakhs	Repayable in 18 Monthly equal installment, Rate of Interest 8.40%.
(xvii)	March 31, 2024 : 16.14 Lakhs, March 31, 2023 : 25.41 Lakhs	Repayable in 20 Monthly equal installment, Rate of Interest 8.00%.
(xviii)	March 31, 2024 : 15.99 Lakhs, March 31, 2023 : 25.31 Lakhs	Repayable in 20 Monthly equal installment, Rate of Interest 8.00%.
(xix)	March 31, 2024 : 0.80 Lakhs, March 31, 2023 : 4.39 Lakhs	Repayable in 7 Monthly equal installment, Rate of Interest 8.55%.
(xx)	March 31, 2024 : 7.40 Lakhs, March 31, 2023 : 9.95 Lakhs	Repayable in 32 Monthly equal installment, Rate of Interest 7.25%.
(xxi)	March 31, 2024 : NIL Lakhs, March 31, 2023 : 40.45 Lakhs	Repayable in 01 Monthly equal installment, Rate of Interest 11%.
(xxii)	March 31, 2024 : 47.00 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 27%.
(xxiii)	March 31, 2024 : 38.55 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 18 Monthly equal installment, Rate of Interest 17%.
(xxiv)	March 31, 2024 : 75.17 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 16%.
(xxv)	March 31, 2024 : 40.46 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 30 Monthly equal installment, Rate of Interest 16%.
(xxvi)	March 31, 2024 : 31.70 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 31 Monthly equal installment, Rate of Interest 16%.
(xxvii)	March 31, 2024 : 34.25 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 30 Monthly equal installment, Rate of Interest 14.97%.
(xxviii)	March 31, 2024 : 34.33 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 12 Monthly equal installment, Rate of Interest 18%.
(xxix)	March 31, 2024 : 141.02 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 27%.
(xxx)	March 31, 2024 : 38.18 Lakhs, March 31, 2023 : NIL Lakhs	Repayable in 13 Monthly equal installment, Rate of Interest 18%.

**Note 15: Lease Liability**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Non Banking finance company	513.38
<b>Total</b>	<b>513.38</b>



**Note 16: Deposits Taken**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Deposit from Related Party	0.05
<b>Total</b>	<b>0.05</b>

**Note: 17 - Deferred Tax Liability (Net)**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Deferred tax (liabilities):	
On difference between book balance and tax balance of Property, Plant & Equipment	1,451.59
On expenditure deferred in the books but allowable for tax purposes	(23.00)
<b>Total of Deferred Tax Liability</b>	<b>1,428.59</b>
Deferred tax assets:	
Provision for Compensated absences, gratuity and other employee benefits	(220.00)
<b>Total of Deferred Tax Asset</b>	<b>(220.00)</b>
<b>Net deferred tax (assets)/liabilities:</b>	<b>1,208.59</b>

**Note: 18 - Other Non current liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Statutory remittances	192.75
Accrued salaries and benefits	134.40
<b>Total</b>	<b>327.15</b>

**Note: 19 - Current borrowings**

(Amount in Lakhs)

Particulars	As at March 31, 2024
<b>Secured</b>	
From Banks	7,069.84
<b>Unsecured</b>	
From Others	389.74
<b>Total</b>	<b>7,459.58</b>

**Note:**

Working capital facilities from State Bank of India, Bank of Maharashtra & Bank of Baroda is secured by

- a) First Pari Passu charge on the entire current assets of the company (both present & future).
- b) Second Pari Passu charge on the entire Property, Plant & Equipment of the company (both present & future)
- c) The secured loans are against the personal guarantee given by the Managing director of the company
- d) The Company has availed unsecured Term Loan from NBFC which are guaranteed by the Directors. These loans are availed at the interest rate of 25 to 27 % p.a

Consolidated

## Name of Security

OD/CC Facility from Bank	Terms of repayment
(i) March 31, 2024 : 1886.85 Lakhs, March 31, 2023 : 1893.59 Lakhs	Repayble on demand, Rate of Interest 10.30%.
(ii) March 31, 2024 : 1839.57 Lakhs, March 31, 2023 : 1034.16 Lakhs	Repayble on demand, Rate of Interest 10.50%.
(iii) March 31, 2024 : 3343.42 Lakhs, March 31, 2023 : 2011.72 Lakhs	Repayble on demand, Rate of Interest 9.50%.

## Note 20:- Lease Liability

(Amount in Lakhs)

Particulars	As at March 31, 2024
Non banking Finance company	540.88
<b>Total</b>	<b>540.88</b>

## Note: 21 - Trade payables

(Amount in Lakhs)

Particulars	As at March 31, 2024
Due to Micro and Small Enterprises	825.88
Other Payables	5,790.32
<b>Total</b>	<b>6,616.20</b>

## Trade Payable ageing as on March 31 ,2024

Outstanding for following periods from due date of payments

(Amount in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payments				Total
	less than 1 years	1-2 years	2-3 years	more than 3 years	
(1) MSME	825.88				825.88
(2) OTHERS	5,690.37	91.53	1.30	7.12	5,790.32
(3) Disputed due -others	-	-	-	-	-
<b>Total</b>	<b>6,516.25</b>	<b>91.53</b>	<b>1.30</b>	<b>7.12</b>	<b>6,616.20</b>

## Note: 22 - Other Current financial liabilities

(Amount in Lakhs)

Particulars	As at March 31, 2024
Current maturities of Long Term Debt	
Rupee loan from banks	644.92
Other loan from banks	69.72
Unutilised Grant	135.24
<b>Total</b>	<b>849.88</b>

## Note: 23 - Provisions

(Amount in Lakhs)

Particulars	As at March 31, 2024
Provision for Expenses	98.96
<b>Total</b>	<b>98.96</b>





**Note: 24 - Other current liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Statutory remittances	67.46
Accrued Salaries And Benefits	297.88
Interest Accrued	8.87
Revenue received in Advance	466.10
Out standing liability	0.30
<b>Total</b>	<b>840.61</b>

**Note: 25 - Revenue from operations**

(Amount in Lakhs)

Particulars	31-03-2024
Sale of products	33,684.60
Sale of Scrap	16.20
Trading Sales	2,770.10
Engineering service charges received	-
Services related to Research & development	94.24
Gain on Exchange rate fluctuation	170.22
<b>Total</b>	<b>36,735.36</b>

**Note: 26 - Other Operating Income**

(Amount in Lakhs)

Particulars	31-03-2024
Duty Drawback Rebate Claim	101.77
Rent Received	4.87
Duty refund	17.48
Other Operating Income	-
<b>Total</b>	<b>124.12</b>

**Note: 27 - Other Income**

(Amount in Lakhs)

Particulars	31-03-2024
Dividend Income on Long-term Investments	0.04
Miscellaneous Receipts	0.18
Interest	9.44
Interest on Staff Loan	0.14
<b>Total</b>	<b>9.80</b>

**Note: 28 - Cost of materials consumed**

(Amount in Lakhs)

Particulars	31-03-2024
Raw materials at the beginning of the year	2,966.76
Add: Purchases	22,004.21
Less: Raw materials at the end of the year	2,495.43
<b>Total</b>	<b>22,475.54</b>

Consolidated

**Note: 29 - Purchase of Stock in Trade**

(Amount in Lakhs)

Particulars	31-03-2023
Purchases - Trading	1,065.35
<b>Total</b>	<b>1,065.35</b>

**Note: 30 - Changes in inventories of work-in-progress, stock in trade and finished goods.**

(Amount in Lakhs)

Particulars	31-03-2024
<b>Opening Balance</b>	
Work-in progress	6,445.49
Finished goods	3,844.00
Trading Goods	477.08
<b>Total</b>	<b>10,766.57</b>
<b>Closing balance</b>	
Work-in progress	7,434.55
Finished goods	2,252.72
Trading Goods	168.97
<b>Total closing balance</b>	<b>9,856.24</b>
<b>Total changes in inventories of work-in-progress, stock in trade and finished goods.</b>	<b>910.33</b>

**Note: 31 - Employee benefit expenses**

(Amount in Lakhs)

Particulars	31-03-2024
Salaries & Wages	3,525.69
Contributions to provident and other funds	142.43
Staff welfare expenses	146.49
Others	92.52
<b>Total</b>	<b>3,907.13</b>

**Note: 32 - Finance costs (Net)**

(Amount in Lakhs)

Particulars	31-03-2024
<b>Interest expense on:</b>	
Borrowings	897.84
<b>Others:</b>	
Bank Charges	167.28
Other Borrowing Cost	183.55
Interest on Lease Liability	143.03
<b>Total</b>	<b>1,391.70</b>



**Note: 33 - Other expenses**

	(Amount in Lakhs)
<b>Manufacturing Expenses</b>	<b>31-03-2024</b>
Power and Fuel	2,850.33
Repairs to Machinery	269.45
Job Work	390.24
Laboratory Expenses	237.45
Testing Fees	98.44
Pollution Control Expenses	854.78
Stores and Spares	330.01
<b>ADMINISTRATIVE EXPENSES</b>	
Directors Remuneration	25.85
Corporate Social Responsibility(CSR) Expenses	1.50
Insurance Charges	117.04
Legal and Professional Fees	268.66
Miscellaneous Expenses	415.54
Rent,Rates and Taxes	54.93
Travelling and Conveyance	141.15
Profit/Loss on Sale of Asset / Invts	5.22
Profession Tax -(Co.)	0.03
Late filing fees	0.25
<b>Auditors Remuneration Expenses</b>	
Statutory Audit Fees	5.30
certification fees	2.00
<b>Selling And Distribution Expenses</b>	
Advertisement & Sales Promotion	128.47
Packing and Forwarding	164.51
Carriage Outward,Freight & Insurance	205.98
Sales Commission and Discount	194.34
<b>Total</b>	<b>6,761.47</b>

**Note : 34 - INCOME TAXES**

**A. Income tax (expense)/benefit recognized in the Comprehensive income statement**

	(Amount in Lakhs)
<b>Particulars</b>	<b>Year Ended March 31,2024</b>
Current income tax charge	0.00
Adjustments in respect of current income tax of previous year.	
Mat Credit Entitlement	0.00
Deferred taxes (expense)/benefit	(2.20)
<b>Income tax expense recognized in the statement of profit and loss (A)</b>	<b>(2.20)</b>
Income tax expense on net (gain)/loss on remeasurement of defined benefit plans	(23.00)
<b>Income Tax charged to OCI (B)</b>	<b>(23.00)</b>
<b>Total A+B)</b>	<b>(25.20)</b>

Consolidated

**B. Reconciliation of Tax**

(Amount in Lakhs)

Particulars	Year Ended March 31,2024
<b>Reconciliation :-</b>	
<b>ACCOUNTING PROFIT BEFORE INCOME TAX</b>	<b>(1,105.74)</b>
Enacted tax rate in India	29.12
<b>Computed Tax Expense</b>	<b>0.00</b>
<b>Add:-</b>	
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:	
<b>Less:-</b>	
Tax effect of income that is exempted from taxation	
Expenses allowable on payment basis	
Depreciation allowed	
Effect of incremental deduction on account of research and development and other allowances	
Tax Effect of donation	
Prior Year Tax Provision / (Reversal)	-
Mat Credit Entitlement	0
Deferred tax on difference in WDV	(2.20)
Deferred tax on disallowance	
Deferred tax on OCI	(23.00)
<b>INCOME TAX EXPENSE</b>	<b>(25.20)</b>

**Note no 35 - Categories of Financial Instrument**

(Amount in Lakhs)

	As at March 31,2024		
	Fair Value through PROFIT or Loss	Fair Value through OCI	Amortised cost
Financial assets			
Investments:-			
In Equity Instruments( quoted)	-	-	
In Equity Instruments( unquoted)	-	-	0.25
Govt Securities	-	-	0.18
Trade receivables	-	-	2794.42
Loans	-	-	1850.34
Cash & Cash Equivalents	-	-	117.96
Security deposit	-	-	321.08
Other current assets( Capital Advances)	-	-	0
<b>Total Financial Assets</b>			<b>5,084.23</b>
Financial Liabilities			
Borrowings	-	-	8794.99
Trade payables	-	-	6588.62
Other Financial Liability	-	-	849.87
<b>Total Financial Liabilities</b>			<b>16,233.48</b>

**Note : 36**
**Note: :Financial Risk Management**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

**A) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

**a) Trade and Other Receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade Sale of receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. No impairment is observed on the carrying value of trade receivables.

**b) Cash and Cash Equivalentents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

**The Working Capital Position of the Company is given below:**

(Amount in Lakhs)

Particulars	As at March 31, 2024
Cash & Cash Equivalent	117.96
Trade receivables	2794.42
inventory	12363.98
Loans & other Financial Asset	1850.34
<b>Total</b>	<b>17,126.70</b>

**The table below provides details regarding the contractual maturities of significant financial liabilities**

Particulars	Less Than 1 year	1-3 years	Total
<b>31.03.24</b>			
Borrowings	7,459.58	1,335.41	8,794.99
Trade payables	6,581.50	7.12	6,588.62
Other Financial Liabilities	849.87		849.87
<b>Total</b>	<b>14,890.95</b>	<b>1,342.53</b>	<b>16,233.48</b>

**NOTE : 37****EMPLOYEE BENEFIT PLANS**

As per actuarial report

**(a) Defined benefit plans: Gratuity**

(Amount in Lakhs)

Particulars	Gratuity	
	2023-24 funded	
<b>I Change in present value of projected benefit obligation</b>		
Present Value of obligation as at the beginning of the period		420.66
Interest Cost		31.14
Current Service Cost		44.30
Past Service Cost		
Liability Transferred In/ Acquisitions		
Benefits Paid		(25.83)
Total Actuarial (Gain)/ Loss on obligation		
Actuarial Gains/(Losses) on obligations due to change in Demographic assumption		
Actuarial Gains/(Losses) on obligations due to change in financial assumption		13.27
Actuarial Gains/(Losses) on obligations due to experience		62.16
Present Value of obligation as at the end of the period		545.70
<b>II Change in fair value of plan assets during the year</b>		
Fair Value of plan assets at the beginning of the period		358.56
Adjustment to opening fair value of plan assets		
Return on Plan Assets excl. interest income		(3.54)
Interest Income		26.48
Employer contribution		18.32
Employee contribution		
Benefits paid		(25.83)
Actuarial gain/(loss) for the year on asset		
Fair Value of plan assets at the end of the period		373.99
<b>III Asset/ (liability) recognised in the balance sheet</b>		
Present value of obligation at the end of the Period		(545.70)
Fair Value of plan assets at the end of the Period		373.99
Funded Status (Surplus/ (Deficit))		(171.71)
Net (Liability)/Asset Recognized in the Balance Sheet		(171.71)
<b>IV Net Liability</b>		
PVO At the beginning of the period		420.66
Fair value of assets at beginning of period		358.56
Net Liability		62.10
<b>V Net Interest cost for the current period</b>		
Interest Expenses		31.14
Interest Income		(26.48)
Net Interest		4.66



(Amount in Lakhs)

Particulars	Gratuity
	2023-24 funded
<b>VI Expense recognised in the statement of profit or loss during the year</b>	
Current Service cost	44.30
Net interest cost	4.66
Past Service Cost	0.00
Total expense recognised in the employee benefit expense	48.96
<b>VII Recognised in other comprehensive income for the year</b>	
Actuarial (Gains)/Losses on Obligation For the Period	75.43
Return on Plan Assets, Excluding Interest Income	3.54
Change in Asset Ceiling	0.00
Net (Income)/Expense For the Period Recognized in OCI	78.97
<b>VIII Movement in the liability recognised in Balance Sheet</b>	
Opening Net Liability	62.10
Expenses recognised in Statement of Profit & Loss	48.96
Employer's Contribution	(18.32)
Expenses recognised in Other Comprehensive Income	78.97
Net (Income)/Expense For the Period Recognized in OCI	171.71
<b>IX Category of Assets</b>	
Cash and Cash Equivalents	
Gratuity Fund	
Debt Security - Government Bond	
Equity Securities - Corporate debt securities	
Insurance Fund	373.99
Total :-	373.99
<b>X Net interest cost for next year</b>	
Present Value of Benefit Obligation at the End of the Period	545.70
(Fair Value of Plan Assets at the End of the Period)	(373.99)
Net Liability/(Asset) at the End of the Period	171.71
<b>Interest Cost</b>	39.45
Interest Income	(27.04)
	12.41
<b>XI Expense recognised in the statement of profit or loss for Next Year</b>	
Current Service cost	56.79
<b>Net interest cost</b>	12.41
Expected contribution by the employee	0.00
Expenses recognised	69.20

Consolidated

(Amount in Lakhs)

Particulars	Gratuity
	2023-24 funded
<b>XII Actuarial assumptions</b>	
Return on Plan Assets	7.23%
Discount Rate	7.23%
Future salary increase	10% P.A.
Mortality rate during employment	Indian assured live mortality (2012-14)
Retirement Age	58 & 60 Years
Rate of Employee Turnover	5%
<b>XIII Quantitative sensitivity analysis for significant assumptions is as below</b>	
Projected benefit obligation on current assumption	420.65
a) Impact of change in discount rate	
Impact due to increase of 1%	(43.34)
Impact due to decrease of 1%	50.76
b) Impact of change in salary increase	
Impact due to increase of 1%	44.55
Impact due to decrease of 1%	(39.80)
b) Impact of change in employee turnover	
Impact due to increase of 1%	(8.53)
Impact due to decrease of 1%	9.71

**Note : 38 Capital Management**

The company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

(Amount in Lakhs)

<b>Debt Equity Ratio</b>	
Particulars	March 31.2023
Gross Debt	8794.99
Less:	
Cash & cash Equivalent	117.96
Net Debt ( A)	8,677.03
Total Equity ( B)	13579.28
Net Debt to Equity Ratio	0.64





**Note: 39 - Related Party Disclosures**

<b>Particulars</b>	
<b>a) Key Managerial Personnel</b>	
Shri Govardhan M. Dhoot	Chairman and Managing Director
Shri Brijmohan M.Dhoot.	Whole -Time Director
Shri Praveen Saxena	Independent Director
Shri Rukmesh Dhandhaniya	Independent Director
Shri Rakesh K Milwani	Non Executive non-independent Director
Mrs Nidhi Mundada	Independent Director
Mr. Ajay Samant	Chief Financial Officer
Mr. Jayant Barde	Company Secretary
<b>b) Relatives of Key Managerial Personnel</b>	
Mrs. Rekha G. Dhoot	
Mrs. Jyoti B. Dhoot	
Ms. Shweta G. Dhoot	
Mrs. Krishnapriya Nawal	
<b>c) Enterprise under control of Key Managerial Personnel or their relatives</b>	
Raga Organics Private Limited.	
Shri JB Pharma LLP (Upto 08-05-2023)	
Shri JB Pharma Private Limited (w.e.f. 09-05-2023)	

**Note : 40 Related Party transactions**

(A) Details of transactions with related parties during the year ended March 31st, 2024

(Amount in Lakhs)

<b>Particulars</b>	<b>March 31, 2024</b>
<b>Inter Corporate Deposit Received</b>	
Raga Organics Private Limited	-
<b>Interest Paid on ICD</b>	
Raga Organics Private Limited	1.35
<b>Commission on Sales</b>	
Shri JB Pharma Private Limited	2.08
<b>Legal / Professional /Tech.fees</b>	
Raga Organics Private Limited	3.25
<b>Purchase Transaction :-</b>	
Shri JB Pharma Private Limited	25.99
<b>Rent Deposit</b>	
Shri Govardhan M. Dhoot	7.00
Shri JB Pharma Private Limited	0.05
<b>Rent Received:-</b>	
Shri JB Pharma LLP	0.01
Shri JB Pharma Private Limited	0.08
Raga Organics Private Limited	0.06
<b>Sitting Fees :</b>	
Shri Rakesh Milwani	KMP 0.12
Mrs Nidhi Mundada	KMP 0.30
Shri Rukmesh Dhandhaniya	KMP 0.26
Shri Praveen Saxena	KMP 0.16
<b>Total :-</b>	<b>0.84</b>
<b>Mangalam D and O Limited Employees Group Gratuity Cum Life Assurance Scheme</b>	<b>129.61</b>

Consolidated

**(B) Key management personnel compensation:**

(Amount in Lakhs)

Particulars		March 31, 2024
<b>Short- term employee benefits</b>		
Remuneration		
Shri Govardhan M. Dhoot	KMP	20.06
Shri Brijmohan M.Dhoot.	KMP	6.13
<b>Salary</b>		
Mr. Ajay Samant	Chief Financial Officer	26.89
Mr. Jayant Barde	Company Secretary	8.85
Mrs. Rekha G. Dhoot	Relative of KMP	29.26
Mrs. Jyoti B. Dhoot	Relative of KMP	29.26
Ms. Shweta G. Dhoot	Relative of KMP	8.78
Mrs. Krishnapriya Nawal	Relative of KMP	29.68
Post-employment benefits		
<b>Long-term employee benefits</b>		
<b>Termination benefits</b>		
Mr. Ajay Samant	Chief Financial Officer	0.75
Mr. Jayant Barde	Company Secretary	0.46
Mrs. Rekha G. Dhoot	Relative of KMP	0.58
Mrs. Jyoti B. Dhoot	Relative of KMP	0.58
Ms. Shweta G. Dhoot	Relative of KMP	0.17
Mrs. Krishnapriya Nawal	Relative of KMP	0.63

**Note: 41 - Contingent Liabilities**

(Amount in Lakhs)

Particulars	As at March,31, 2024
<b>A) Performance Guarantees/ Bonds</b>	
(i) Guarantee executed in favor of Assistant Collector of Customs	-
(ii) (Guarantee executed in favor of Export Parties	-
<b>B) Excise duty and Service Tax &amp; GST</b>	-
<b>C) Income Tax</b>	
ASST.YEAR- 2018-2019	2.20
<b>D) Others</b>	
(i) Guarantee given to Gujarat Gas Ltd.	194.78
(ii) Bank Guarantee given to GPCB for Compliance spelling Assurance	10.00
Bills Discounting facility	511.11

**Note: 42 - Earnings per Share (Basic and Diluted)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for dividend on the preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

a) Basic Earnings Per Share	March 31, 2024
Profit for the Year ( ₹ In Lakhs) - (A)	(907.17)
Weighted average number of equity shares for basic and diluted EPS - (B)	15828248
Earnings Per Share – Basic and Diluted ( ₹) - (A/B)	(5.73)
Nominal value of an equity share ( ₹)	10.00



**Note: 43 - Assets Pledged as Security**

The carrying amount of assets pledged as security for current and non-current borrowing

(Amount in Lakhs)

Particular	As at March,31, 2024
<b>Current</b>	
<b>Financial assets</b>	
Inventories	12,363.98
Trade Receivables	2,794.42
<b>Total current assets pledged as security</b>	<b>15,158.40</b>
<b>Non-current</b>	
<b>Property, Plant &amp; Equipments (Net Block)</b>	
Land	35.17
Factory Building	2540.01
Other Building (Resident Flat)	48.05
Plant & Machinery	6419.73
Laboratory Equipment	558.37
Office Equipments	11.57
Electrical Equipments	311.94
Furniture and Fixtures	124.90
Vehicles	290.15
Air Conditioner	21.77
Computer	21.34
<b>Intangible Assets (Net Block)</b>	
Lease Assets (Net Block)	2259.35
Lease office	10.05
Leasehold improvements	3.10
Computer Software	4.22
Research & Development	1636.43
Intangible Assets	434.41
Intangible Product/ Assets under Development	773.65
<b>Total non-current assets pledged as security</b>	<b>15504.22</b>
<b>Total assets pledged as security</b>	<b>30,662.62</b>

**Note: 44 - Lease**

Particular	As at March,31, 2024
Right of Use asset	2269.40
Lease Liability	1054.27
Interest Expense	143.03
Depreciation Charge	168.65

**Note: 45**

The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity, Statement of Significant Accounting Policies and the Other Explanatory Notes forms an integral part of the standalone financial statements of the Company for the year ended March 31, 2024

## Note : 46 - Ratio analysis and its elements

Sr. No	Description	2023-24	Numerator/Denominator
1	Trade receivables Turnover Ratio	36,735.36	Net Credit Sales / Average Trade Receivables
		2,794.42	
		13.15	
2	Inventory Turnover	23,385.87	Cost of Goods Sold / Average Inventory
		10,311.40	
		2.27	
3	Interest Coverage Ratio	284.37	EBIT (Earning before Interest & Taxes) / Interest Expenses
		1,391.69	
		0.20	
4	Current Ratio	17,572.42	Current Asset / Current Liability
		16,378.53	
		1.07	
5	Debt Equity Ratio	10,699.14	Total Borrowing & Lease Liabilities / Total Equity
		13,579.28	
		0.79	
6	Operating Margin Ratio	284.37	Operating Income / Net sales
		36,735.36	
		0.01	
7	Net Profit Margin	(907.17)	Net profit / Total Revenue
		36,859.47	
		(0.02)	
8	Return On Net Worth	(907.17)	Net Income / Shareholders equity
		13,579.28	
		(0.07)	
9	Net Capital Turnover Ratio	36,565.14	Revenue from operations / Average working capital (i.e. Total current assets less Total current liabilities)
		1,193.89	
		30.63	
10	Return on Capital Employed	284.37	Profit Before Tax & Finance cost / Capital Employed (Net worth + Lease Liabilities + Deferred Tax Liabilities)
		15,842.14	
		0.02	
11	Debt Service coverage ratio	1,949.6	Net profit After Tax + Depreciation + Interest / Interest + Borrowing + Lease liability
		12,090.82	
		0.16	
12	Trade Payables Turnover Ratio	23,385.87	Cost of Goods Sold / Average Trade Payables
		6,588.62	
		3.55	
13	Return on Investment	0.04	Dividend Income + Profit on sale of Investment / Average Investment
		0.44	
		0.09	



**NOTES TO FINANCIAL STATEMENTS**

**Note 47 : Other Statutory information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act 1956
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

**Note No. 48**

As on september 30,2023 the Company has acquired the 3010 shares of Mangalam Laboratories Private Limited of ₹ 100 each. Mangalam Laboratories Private Limited became wholly owned subsidiary of the Company. The wholly owned subsidiary consequently is not a material subsidiary of the Company.

**Note No. 49**

The Board of Directors of the Company at its meeting held on March 15, 2024 had considered and approved the scheme of Merger by Absorption of Mangalam Laboratories Private Limited ("First Transferor Company") and Shri JB Pharma Private Limited (Formerly known as Shri JB Pharma LLP) ("Second Transferor Company") with Mangalam Drugs and Organics Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme is subject to the necessary statutory and regulatory approvals including the approvals of Hon'ble National Company Law Tribunal, the shareholders and creditors of each of the companies. As on date, the Scheme is pending for disposal at both Stock Exchanges who shall issue No Objection Certificate under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As per our Report Annexed  
**For V.S. Somani and Co.,**  
 Chartered Accountants

Sd/-  
**(CA Vidyadhar Somani)**  
 Proprietor  
 Membership No 102664  
 Firm Registration No. 117589

Place : Mumbai  
 Date : May 21, 2024

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

Sd/-  
**(Shri Govardhan M. Dhoot)**  
 Chairman and Managing Director  
 DIN: 01240086

Sd/-  
**(Shri Brijmohan M.Dhoot)**  
 Director  
 DIN: 01046420

Sd/-  
**(Mr. Jayant Barde)**  
 Company Secretary

Sd/-  
**(Mr. Ajay Samant)**  
 Chief Financial Officer

Consolidated

# MANGALAM DRUGS & ORGANICS LTD.

## FINANCIAL HIGHLIGHTS

(Figure in Lacs)

PARTICULARS	31-Mar-14	31-Mar-15	31-Mar-16	31/03/2017*	31/03/2018*	31/03/2019*	31/03/2020*	31/03/2021*	31/03/2022*	31/03/2023*	31/03/2024*
Sales & Other Sales Income	12275.98	22067.19	29521.91	30319.35	28020.66	22789.65	28553.48	38486.12	45115.78	37268.85	36869.27
Profit before Interest & Depreciation	984.63	2044.65	3772.08	4622.42	4769.54	999.79	2487.46	5802.05	4914.39	2595.40	1749.17
Interest	974.21	1028.37	929.18	1003.65	1178.00	864.65	1040.47	932.61	1116.18	1275.13	1391.69
Depreciation	401.05	415.40	441.30	500.71	656.82	708.85	821.78	917.53	1024.91	1098.89	1463.22
Profit Before Tax	(390.63)	600.88	2401.60	3118.06	2934.72	(573.71)	625.21	3951.91	2773.30	221.38	-1105.74
Profit After Tax	(303.92)	614.12	1603.31	2227.50	1988.96	(803.08)	825.25	2797.09	1965.75	127.00	(904.89)
Total Comprehensive Income**	-	-	-	36.32	36.32	1.69	2.32	(94.77)	11.79	12.48	(960.87)
Equity Capital	1317.82	1317.82	1437.82	1582.82	1582.82	1582.82	1582.82	1582.82	1582.82	1582.82	1582.82
Reserves & Surplus	1004.47	1618.59	3866.36	6988.89	8793.83	7983.48	8811.05	11513.36	13473.32	13612.80	12651.94
Money recd agst Share Warrants	-	-	848.25	-	-	-	-	-	-	-	-
Net Worth	2322.29	2936.41	6152.43	8571.71	10376.65	9566.30	10393.87	13096.19	15056.14	15195.62	14234.76
<b>Borrowings:</b>											
Long Term Loans	3001.76	2452.47	1794.02	2270.87	1500.09	899.30	634.70	1064.95	2860.61	2293.24	1974.96
Short Term - Bank	3111.67	3182.43	3537.57	4132.00	5075.19	5051.20	4186.08	5118.16	4709.62	4956.71	7459.59
Short Term - Others	1604.58	2157.37	649.91	206.48	317.63	339.20	182.98	213.26	311.13	209.31	210.33
Total Borrowings	7718.01	7792.27	5981.50	6609.35	6892.91	6289.70	5003.76	6396.37	7881.36	7459.26	9644.88
Gross Block	8827.52	9182.37	10249.52	14026.10	15620.78	16594.84	17215.63	20304.61	22951.86	25089.24	26842.31
Less : Depreciation	3489.09	3887.58	4337.82	4770.49	5422.74	6165.71	6984.68	7870.01	8884.77	9904.08	11338.07
Net Block (Fixed Assets)	5338.43	5294.79	5911.70	9255.61	10198.04	10369.14	10230.95	12434.60	14067.09	15185.16	15504.24
Investments	17.92	24.02	24.01	164.43	24.01	24.01	22.35	22.35	0.43	0.43	3.45
Current Assets, Loans & Advances	7188.08	11670.69	10040.68	9530.32	12456.69	10742.35	12813.41	13827.82	18775.04	20777.29	20206.78
Less : Current Liabilities	2504.13	6260.82	3841.86	3769.32	5409.18	5279.50	7669.08	6792.21	9905.06	13307.99	11834.83
Net Working Capital	4683.95	5409.87	6198.82	5761.00	7047.51	5462.85	5144.33	7035.61	8969.98	7469.3	8371.95
Book Value (Rs) per share	17.62	22.28	42.79	54.15	65.56	60.44	65.67	82.74	95.12	96.00	89.93
Earnings (Rs) per share	(2.31)	4.66	11.15	14.07	12.57	(5.07)	5.21	17.67	12.42	0.80	(5.72)
Dividend (Rs) per share	-	-	-	-	0.50	-	-	-	-	-	-
Nominal value per share	10	10	10	10	10	10	10	10	10	10	10

\* The figures reported for F.Y. 2016-17 to F.Y. 2023-24 are Ind As compliant.

\*\* Total Comprehensive Income is required to be reported under Ind AS for F.Y. 2016-17 to F.Y. 2023-24 and hence not reported for earlier years which are IGAAP compliant. Previous year's figures have been re-grouped to confirm with current year's presentation, wherever applicable.





<http://www.mangalamdrugs.com/investors.html>



**Mangalam Drugs & Organics Limited**

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