

Mangalam Drugs and Organics Ltd.

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



REF: MDOL/CS-SE/2023-24/042

March 16, 2024

To,
Listing Department
BSE Ltd
1st Floor, New Trade Wing, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
“Exchange Plaza”, 5th Floor, Plot No. C-1, Block G,
Bandra - Kurla Complex,
Bandra(E), Mumbai – 400 051

Scrip Code: 532637

Symbol: MANGALAM

Subject: Mangalam Drugs and Organics Limited “the Company”- Outcome of the Board Meeting held on Friday, March 15, 2024

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 (“SEBI Circular”).

Dear Sir/Madam,

As per captioned subject and mentioned reference, it is informed that the Board of Directors of the Company at its meeting held on **Friday, March 15, 2024** at the registered office of the Company situated at 3rd Floor, Rupam Building, 239, P.D'Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra, India has 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 ("**Scheme**").

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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.

The details / disclosures required under Regulation 30 of the SEBI Listing Regulations, read with Schedule III thereto and the SEBI Circular are provided in the enclosed **Annexure**.

Kindly take the above information on your records.

The meeting of Board of Directors commenced at 04.00 P.M. and concluded at 06.15 P.M.

Thanking You,

Yours Faithfully,
For Mangalam Drugs & Organics Limited

Govardhan M. Dhoot
Managing Director
DIN: 01240086
Encl.: As Above

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Annexure

Required disclosures/details in respect 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 pursuant to Regulation 30 of SEBI Listing Regulations read with SEBI Circular:

Sr. No.	Particulars and Details
1.	NAME OF ENTITY(IES) FORMING A PART OF THE MERGER, INCLUDING BRIEF DETAILS RELATING TO SIZE, TURNOVER ETC:
1.1	<u>Details of Mangalam Laboratories Private Limited ("First Transferor Company"):</u> Mangalam Laboratories Private Limited (hereinafter referred to as "MLPL" or the "First Transferor Company") is a Private Limited Company having Corporate Identity Number U99999MH1988PTCo49485, incorporated under the Companies Act, 1956 on 03 rd November, 1988 under the name and style of 'Mangalam Laboratories Private Limited', and deemed to exist within the purview of the Companies Act, 2013. The Registered Office of the First Transferor Company is situated at 239, 3 rd Floor, Rupam Building, P'D Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra, India. The First Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.
1.2	<u>Details of Shri JB Pharma Private Limited (Formerly known as Shri JB Pharma LLP) ("Second Transferor Company"):</u> Shri JB Pharma Private Limited (Formerly known as Shri JB Pharma LLP) (hereinafter referred to as "SJPPL" or the "Second Transferor Company") is a Private Limited Company, having Corporate Identity Number U21001MH2023PTC402579, incorporated under the Companies Act, 2013 on 09 th Day of May, 2023 under the name and style of 'Shri JB Pharma Private Limited', and

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	<p>deemed to exist within the purview of the Companies Act, 2013. The Second Transferor Company was originally incorporated as Shri JB Pharma LLP on 15th Day of July, 2015 which was converted to Private Limited Company and consequent to such conversion, the name of the Second Transferor Company was changed from 'Shri JB Pharma LLP' to 'Shri JB Pharma Private Limited' and fresh certificate of Incorporation was issued by Registrar of Companies on 09th Day of May, 2023. The registered office of the Second Transferor Company is situated at 239, 3rd Floor, Rupam Building, P'D Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra, India. The Second Transferor Company is one of the Promoter of the Transferee Company and holds 26,50,000 Equity Shares of Rs. 10/- each thereby aggregating to 16.742 % in Share Capital of the Transferee Company.</p>
1.3	<p><u>Details of Mangalam Drugs and Organics Limited ("Transferee Company"):</u></p> <p>Mangalam Drugs and Organics Limited (hereinafter referred to as "MDOL" or the "Transferee Company") is a Public Limited Company, having Corporate Identity Number L24230MH1972PLC116413, incorporated under the Companies Act, 1956 on 18th Day of April, 1972 under the name and style of 'Advent Pharma Private Limited', and deemed to exist within the purview of the Companies Act, 2013. The Transferee Company was originally Incorporated as Private Company which was converted to Public Company and consequent upon said change of status, the name of the Transferee Company was changed from 'Advent Pharma Private Limited' to 'Mangalam Drugs and Organics Limited' vide fresh certificate on conversion issued by Registrar of Companies on 01st Day of July, 1997. The Registered Office of the Transferee Company at time of Incorporation was situated in state of Maharashtra which was shifted to Gujrat vide Certificate of Registration of Order of Company Law Board issued by Registrar of Companies on 14th Day of July, 1995. The Registered Office of Transferee Company was again shifted from State of Gujrat to State of Maharashtra vide Certificate of Registration of Order of Company Law Board issued by Registrar of Companies on 02nd Day of September, 1998. The Registered Office of the Transferee Company is situated at 239, 3rd Floor, Rupam Building, P'D Mello Road, Near G.P.O., Mumbai – 400001, Maharashtra, India. The Transferee Company is a Public Listed Company with its Equity Shares listed on the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited and is the Holding Company of the First Transferor Company.</p>

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1.4	Details of Net-worth of Transferor Companies and Transferee Company:			
	Sr. No.	Name of Companies	Net-worth as on 31.03.2023	Net-worth as on 31.12.2023
	1.	Mangalam Laboratories Private Limited	- 6,29,78,462	-6,50,86,329.72
	2.	Shri JB Pharma Private Limited	13,67,239.39	13,31,706.19
	3.	Mangalam Drugs and Organics Limited	1,51,95,62,658.55	1,39,45,48,452.3
1.5	Details of Total Revenue of Transferor Companies and Transferee Company:			
	Sr. No.	Name of Companies	Total Revenue as on 31.03.2023	Total Revenue as on 31.12.2023
	1.	Mangalam Laboratories Private Limited	37590000	315000
	2.	Shri JB Pharma Private Limited	NA*	106853.50
	3.	Mangalam Drugs and Organics Limited	3726885358.29	2664099956.21
	<i>* Shri JB Pharma Private Limited was originally incorporated as Shri JB Pharma LLP on 15th Day of July, 2015 which was converted to Private Limited Company and consequent to such conversion, its name was changed from 'Shri JB Pharma LLP' to 'Shri JB Pharma Private Limited' based on fresh certificate of Incorporation issued by Registrar of Companies on 09th Day of May, 2023. Hence, Shri JB Pharma Private Limited was not in existence as on March 31, 2023.</i>			

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2.	<p>WHETHER THE TRANSACTION WOULD FALL WITHIN RELATED PARTY TRANSACTIONS? IF YES, WHETHER THE SAME IS DONE AT “ARMS LENGTH”:</p> <p>The Scheme of Merger by Absorption of the Transferor Companies with the Transferee Company and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme” / “Merger”) does not fall within the purview of related party transactions in view of General Circular No. 30/2014 dated July 17, 2014 issued by the Ministry of Corporate Affairs and since the same is subject to the sanction of the Hon’ble National Company Law Tribunal. Further, the Scheme is approved by the Audit Committee of the Transferee Company pursuant to Regulation 23 (2) of the SEBI Listing Regulations and is being carried out at arm’s length basis as per the valuation report given by Nitish Chaturvedi, Registered Valuer, Securities or Financial Assets, determining the share exchange ratio.</p>
3.	<p>AREA OF BUSINESS OF THE ENTITY(IES):</p>
3.1	<p>The First Transferor Company is engaged in the business of dealing in organic and inorganic chemicals and heavy chemicals.</p>
3.2	<p>The Second Transferor Company is engaged in the business of buying, retailing and whole-selling all kinds of pharmaceuticals, pharmaceutical line chemicals, pharmaceutical products and bulk drugs.</p>
3.3	<p>The Transferee Company is engaged in the business of producing, manufacturing and preparing of Active Pharmaceutical Ingredients and Intermediates and any material necessary for the manufacture of pharmaceutical and medicinal preparations, chemicals and drugs.</p>
4.	<p>RATIONALE FOR AMALGAMATION/ MERGER:</p> <p>All the Transferor Companies and the Transferee Company belong to the same Group who manage and control the business of these Companies and are largely engaged in same kind of business activities. Thus, the merger of Transferor Companies with the Transferee Company shall achieve following:</p>

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	<ul style="list-style-type: none">➤ Consolidation of business activities of all the Companies and will facilitate effective management of investments and synergies in operation.➤ Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.➤ Better financial leverage, resulting in greater efficiency in cash and debt management and access to cash flow generated by the combined business, which can be deployed more efficiently to realize higher profits / margins for the combined entity;➤ Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets;➤ Reducing number of entities in the group thereby reducing managerial overlaps, which are necessarily involved in running multiple entities; and➤ Reduce regulatory and legal compliances / filings including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc. and consequential reduction in administrative costs
5.	<p>IN CASE OF CASH CONSIDERATION – AMOUNT OR OTHERWISE SHARE EXCHANGE RATIO:</p> <p>Upon the Scheme becoming effective and in consideration of the Merger, including the transfer and vesting of the Undertaking in the Transferee Company, the Transferee Company shall without any further application or deed, issue and allot equity shares of the Transferee Company at face value, credited as fully paid up, to the extent indicated below, to the Eligible Members or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Companies / the Transferee Company in the following manner (the “Share Exchange Ratio”):</p> <p>a. Between First Transferor Company and Transferee Company:</p> <p>As the First Transferor Company is wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the Merger by Absorption of the First Transferor Company with the Transferee Company, and the equity shares held by the Transferee Company in the Transferor Company shall stand cancelled without any further act, application or deed.</p>

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b. Between Second Transferor Company and Transferee Company:

The Transferee Company shall without any further act or deed, issue and allot 265 Equity Shares of Rs. 10/- each to the Eligible Members of Second Transferor Company for every 1 (One) Equity Share of Face Value of Rs. 10/- each held by Eligible Members of Second Transferor Company.

The equity shares of the Transferee Company to be issued and allotted to the shareholders of the Transferor Company, except to the Transferee Company itself, pursuant to the Scheme shall hereinafter be referred to as the “New Equity Shares”.

The New Equity Shares to be issued and allotted pursuant to the Scheme shall rank *pari passu* with the existing equity shares of the Transferee Company in all respects including dividends, if any, that may be declared by the Transferee Company on or after the Scheme becoming effective, as the case may be, and shall be listed on the Stock Exchanges.

6. BRIEF DETAILS OF CHANGE IN SHAREHOLDING PATTERN (IF ANY) OF LISTED ENTITY:

Details of Shareholding of Transferee Company:

Category	Pre Scheme		Post Scheme	
	No of Equity Shares	% of Equity Shares	No of Equity Shares	% of Equity Shares
Promoter & Promoter Group	79,64,046	50.32	79,64,046	50.32
Public Shareholders	78,64,202	49.68	78,64,202	49.68