

# 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/2020- 21/008

June 29, 2020

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**

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**

**Sub: Outcome of the Board Meeting held on Monday, June 29, 2020**

Dear Sir / Madam,

In terms of Regulation 30 read with part A of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations), we have to inform you that the Board of Directors of the Company, in their meeting held today i.e. Monday, June 29, 2020 has *inter-alia* approved the Audited Financial Results (Standalone) for the quarter and year ended March 31, 2020 pursuant to Regulation 33 of the Listing Regulations. A copy of the said results, notes thereto and Auditor's Report is enclosed for your records.

We hereby declare that the Auditors have expressed an unmodified opinion in the Audit Report on the Standalone Audited Financial Results for the quarter and year ended March 31, 2020.

The meeting of Board of Directors of the Company commenced at 3:00 P.M. and concluded at 4:50 P.M.

We request you to take the same on your records.

Thanking You,

Yours faithfully,

For **Mangalam Drugs & Organics Limited**



Geeta Karira

Company Secretary & Compliance officer

**Audited Financial Results for the Year Ended 31st March 2020 approved and taken on record by the Board at their meeting dated  
29th June, 2020**

Sr.No	Particulars	Quarter Ended			(Rs. In Lacs) Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
<b>A) Part-1 Statement of Audited Financial Results for the Year Ended March 31, 2020</b>						
1	<b>Revenue from Operations</b>	8,809.46	6,194.36	4,808.91	28,235.36	22,757.97
2	Other Income	45.33	65.90	20.53	118.12	31.68
3	<b>Total Revenue(1+2)</b>	<b>8,854.79</b>	<b>6,260.26</b>	<b>4,829.44</b>	<b>28,353.48</b>	<b>22,789.65</b>
4	<b>Expenses</b>					
	(a) Cost of Materials Consumed	5,279.54	3,744.41	3,737.07	17,807.14	16,870.28
	(b) Purchase of Stock in trade					0.00
	(c) Changes in Inventories of, Finished Goods and Stock-in-trade & Work In Progress	1,084.22	408.34	(181.73)	1,727.66	(1,538.93)
	(d) Employee Benefits Expenses	705.66	635.28	648.00	2,604.41	2,581.65
	(e) Finance Costs	246.29	254.45	252.54	1,040.47	864.65
	(f) Depreciation & amortization expenses	209.61	205.75	165.70	821.78	708.85
	(g) Other Expenses	1,024.11	910.46	579.19	3,726.81	3,876.85
	<b>Total Expenses</b>	<b>8,549.43</b>	<b>6,158.69</b>	<b>5,200.78</b>	<b>27,728.27</b>	<b>23,363.35</b>
5	<b>Profit / (Loss) before exceptional &amp; extraordinary items and tax(3-4)</b>	<b>305.36</b>	<b>101.57</b>	<b>(371.34)</b>	<b>625.21</b>	<b>(573.71)</b>
6	<b>Exceptional items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
7	<b>Profit/(Loss) before extraordinary items and tax (5-6)</b>	<b>305.36</b>	<b>101.57</b>	<b>(371.34)</b>	<b>625.21</b>	<b>(573.71)</b>
8	<b>Extraordinary Items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
9	<b>Profit(+)/Loss (-) before tax(7-8)</b>	<b>305.36</b>	<b>101.57</b>	<b>(371.34)</b>	<b>625.21</b>	<b>(573.71)</b>
10	<b>Tax Expenses</b>					
	Current Tax	34.69	11.85	-0.00	110.10	0.00
	Less: MAT credit entitlement / reversal	(29.33)	(75.41)	-0.00	(104.74)	
	Deferred Tax	(205.40)	0.00	229.38	(205.40)	229.38
11	<b>Net Profit(+)/Loss(-) after Tax (9-10)</b>	<b>505.40</b>	<b>165.13</b>	<b>(600.72)</b>	<b>825.25</b>	<b>(803.09)</b>
12	Other Comprehensive income not reclassified into Profit & loss account (Net of Taxes)	0.32	0.87	0.43	2.32	1.69
13	<b>Total Comprehensive Income</b>	<b>505.72</b>	<b>166.00</b>	<b>(600.29)</b>	<b>827.57</b>	<b>(801.40)</b>
14	Paid-up Equity Share Capital (face value of Rs 10/- each)	1,582.82	1,582.82	1,582.82	1,582.82	1,582.82
15	Other Equity				8,811.05	7,983.48
16	<b>Earnings Per Share (EPS) (of Rs 10/-each not annualised):</b>					
	(a) Basic	3.19	1.04	(3.80)	5.21	(5.07)
	(b) Diluted	3.19	1.04	(3.80)	5.21	(5.07)

**Notes :**

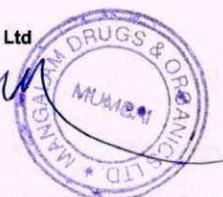
- The above results have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under section 133 of the companies Act, 2013, read together with Companies (Indian Accounting Standard) Rules, 2015.
- The above results have been reviewed by the Audit Committee and thereafter, were approved & taken on record by the Board of Directors of the Company at their meeting held on June 29, 2020. The Statutory Auditors have expressed an unmodified audit opinion on these financial result.
- 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".
- The Company has implemented Ind AS 116 with retrospective effect. The impact of depreciation and unwinding of interest cost along with lease liability and right of use (Asset) on opening balance of other equity is 9.32 Lakhs. Company has created lease liability amounting to Rs 232.20 Lakhs and Right of Use Assets amounting to Rs 222.88 Lakhs.
- The figures for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. The Indian government announced a strict lockdown across the country to contain the spread of the virus, which was extended till May 31, 2020. The Company is engaged in manufacturing of essential commodities and consequently the impact of the pandemic is not significant. As of today, production facilities remained operational, following enhanced internal safety guidelines and directives issued by the Ministry of Home Affairs and State Government. The company has assessed the impact of this whole situation and is of the view that based on its present assessment this situation does not materially impact the Standalone financial results as on March 31, 2020. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- Deferred Tax calculation as per Ind AS 12 is considered by the Company on annual basis.
- Earlier period figures have been regrouped/ rearranged wherever necessary.

Place: Mumbai  
Date: 29th June, 2020



On behalf of Board of Directors  
For Mangalam Drugs & Organics Ltd

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



Statement of Assets and Liabilities		
	Rs. in Lacs	Rs. in Lacs
	As at 31.03.2020 Audited	As at 31.03.2019 Audited
<b>ASSETS</b>		
<b>A. Non-current Assets</b>		
(a) Property, Plant and Equipment	9329.20	9749.39
(b) Capital Work-In-Progress	124.03	19.95
(c) Intangible assets	613.59	376.92
(d) Lease assets	164.13	222.88
<b>(e) Financial Assets</b>		
(i) Investments	22.35	24.01
(ii) Other Financial Assets	236.18	178.37
(iii) Deferred Tax Asset (Net)		
(f) Non Current Tax Assets (Net)		
(g) Other Non-current Assets	659.75	60.01
<b>Total Non-current Assets (A)</b>	<b>11149.24</b>	<b>10,631.53</b>
<b>B. Current Assets</b>		
(a) Inventories	6484.27	7345.32
<b>(b) Financial Assets</b>		
(i) Trade Receivables	3998.29	1763.07
(ii) Cash and Cash Equivalents	162.91	143.34
(iii) Bank Balance other than Cash and Cash Equivalents		
(iv) Loans	0.96	0.88
(v) Others Financial Assets		
(c) Other Current Assets	1271.04	1251.36
<b>Total Current Assets (B)</b>	<b>11917.47</b>	<b>10,503.97</b>
<b>TOTAL ASSETS</b>	<b>23066.71</b>	<b>21,135.49</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A. Equity</b>		
(a) Equity Share Capital	1582.82	1582.82
(b) Other Equity	8811.05	7983.48
<b>Total Equity (A)</b>	<b>10393.87</b>	<b>9,566.30</b>
<b>B. Non-Current Liability</b>		
<b>(a) Financial Liabilities</b>		
(i) Borrowings	417.28	859.56
(b) Deferred Tax Liabilities (Net)	1228.76	1433.26
(c) Lease Liability	80.05	194.90
(d) Deposits Taken	0.05	0.00
(e) Provisions		
(f) Other Non-Current Liabilities		
<b>Total Non-current Liabilities (B)</b>	<b>1726.14</b>	<b>2,487.72</b>
<b>C. Current Liabilities</b>		
<b>(a) Financial Liabilities</b>		
(i) Borrowings	4186.08	5051.20
(ii) Lease Liability	113.54	37.31
(ii) Trade Payables		
Due to MSME	243.31	191.82
Due to Others	5416.03	3049.53
(iii) Other Financial Liabilities	400.40	378.93
(b) Other Current Liabilities	504.78	313.59
(c) Provisions	82.56	59.10
<b>Total Current Liabilities (C)</b>	<b>10946.70</b>	<b>9,081.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23066.71</b>	<b>21,135.49</b>

Notes:- 1) Previous periods/years figures have been regrouped/rearranged wherever necessary.

Place: Mumbai  
Date: 29th June, 2020



On behalf of Board of Directors  
For Mangalam Drugs & Organics Ltd

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



MANGALAM DRUGS AND ORGANICS LIMITED

Cash Flow Statement For The Period Ended March 31, 2020



(Rupees In Lacs)

Particulars	For the Period ended		For the Period ended
	March 31, 2020	Audited	March 31, 2019
<b>A. Cash flow from operating activities</b>			
Net profit before tax and extra ordinary items.		625.21	(573.71)
<b>Add / (Less) :</b>			
Depreciation & amortisation		821.78	751.25
Interest expenses		1,040.47	864.65
Dividend Income		(0.04)	(2.00)
(Gain)/loss on sale of fixed assets		5.36	5.25
(Gain)/loss on sale of investments			-
Net gain arising on financial assets measured at fair value through profit or loss			-
Remeasurements of the defined benefit plans		3.22	2.60
<b>Operating profit before working capital changes</b>		<b>2,496.00</b>	<b>1,048.04</b>
<b>Adjustment for :</b>			
(Increase)/decrease in short term loans and advances		(0.09)	0.38
(Increase)/decrease in other current assets		(19.68)	454.33
(Increase)/decrease in trade receivables		(2,235.22)	2,757.70
(Increase)/decrease in inventory		861.05	(1,331.90)
(Increase)/decrease in other non-current assets		(657.55)	(65.85)
Increase/(decrease) in Other Equity			(9.32)
Increase/(decrease) in trade payables		2,417.99	(521.16)
Increase/(decrease) in other current liabilities		212.66	(383.38)
Increase/(decrease) in provisions		23.46	(11.76)
Increase/(decrease) in current lease liabilities		76.24	37.31
Increase/(decrease) in deposits		0.05	-
Increase/(decrease) in non current lease liabilities		(114.85)	194.90
<b>Cash generated from operations</b>		<b>564.07</b>	<b>1,121.23</b>
		<b>3,060.07</b>	<b>2,169.27</b>
<b>Add / ( Less) :</b>			
Income Tax (Paid)/ Refund		(5.36)	
<b>Net cash from operating activities</b>		<b>3,054.71</b>	<b>2,169.27</b>
<b>B. Cash flow from investing activities :</b>			
Purchase of fixed assets including Capital WIP		(693.20)	(933.88)
Sale of fixed assets		4.24	6.28
Sale/(Purchase) of investments		1.66	-
Divided Income		0.04	2.00
<b>Net cash from investing activities</b>		<b>(687.26)</b>	<b>(925.59)</b>
<b>C. Cash flow from financing activities :</b>			
Proceeds/(repayment) of short term borrowing		(865.12)	(23.99)
Proceeds/(repayment) of long term borrowing		(442.28)	(255.08)
Interest Paid		(1,040.47)	(864.65)
Dividend paid		-	0.35
Issue of Share		-	-
<b>Net cash used in financing activities</b>		<b>(2,347.88)</b>	<b>(1,143.37)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>19.57</b>	<b>100.31</b>
<b>Cash and cash equivalents - opening balance</b>		<b>143.34</b>	<b>43.03</b>
<b>Cash and cash equivalents - closing balance</b>		<b>162.91</b>	<b>143.34</b>
<b>Details of cash and cash equivalent at the end of the Period / Year</b>			
- Cash in hand		6.48	4.54
- Balance in current & fixed deposit accounts		156.43	138.79
<b>Total</b>		<b>162.91</b>	<b>143.34</b>

Notes:- 1) Previous periods/years figures have been regrouped/rearranged wherever necessary.

Place: Mumbai  
Date: 29th June, 2020



On behalf of Board of Directors  
For Mangalam Drugs & Organics Ltd

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



Auditor's Report on Audited Standalone Quarterly Financial Results and Year to date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF MANGALAM DRUGS & ORGANICS LIMITED

#### Opinion

We have audited the accompanying standalone quarterly financial results of **Mangalam Drugs and Organics Limited** (the company) for the quarter ended March 31, 2020 and the year to date results for the period from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2020 as well as the year to date results for the period from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 results under the provisions of the Companies Act, 2013 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

1. We refer note number 6 to the Financial Results for the quarter and year ended 31<sup>st</sup> March 2020 of the Company, wherein financial impact of COVID-19 on the operations of the Company has been disclosed. Future operations of the Company will be subject



#### BRANCHES :

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**DELHI :** 505, Nirmal Tower, 26, Barakhamba Road, New Delhi -110 001. • Tel. : +91-11-4019 0200

to developments on COVID-19 front together with stability in the economy which are currently uncertain.

2. Due to the prevailing lockdown and restrictions over travelling, Company has not been able to obtain the actuarial valuation report from the actuary towards the Gratuity and Leave encashment and accordingly the said liabilities have been provided proportionately based on the previous year actuarial reports.
3. Balances of debtors/creditors/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 the above matters.

### **Management's Responsibilities for the Standalone Financial Results**

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 standalone financial results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 auditor's report to the related disclosures in the financial results 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results 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.



## **Other Matter**

1. Due to COVID-19 related lockdown we were not able to participate in physical verification of inventory that was carried out by management subsequent to the year end. Consequently, we have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA 501 “Audit Evidence- Specific Consideration for selected items” and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone financial results.
2. The standalone financial results include the results for Quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures up-to the third quarter of the current financial year, which were subject to limited review by us.

**For Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Registration No.: 101048W**



**Parag Hangekar**  
**Partner**  
**Membership No:110096**  
**UDIN: 20110096AAAACG1769**

Date: June 29, 2020  
Place: Mumbai