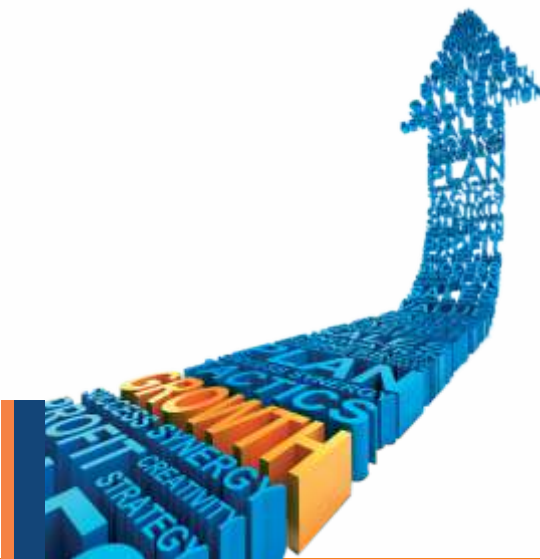


**Mango
Sip**



Manpasand Beverages Private Limited

3RD ANNUAL REPORT
2013-14



MangoSip Is Aiming For a Pan-India Presence

by Samer Srivastava

Dhirendra Singh launched MangoSip in small-town north India and has now set his gaze on the rest of the country

There is a thin line between complacency and confidence, and Dhirendra Singh is on the right side of it. Sure, the 52-year-old has all the chutzpah of a self-made man, but he is realistic about his business and where he stands. "I have a long way to go. This is a limitless market," he says.

MangoSip, the brand he created, has carved out a strong second place in the mango drink market. The company says it made Rs 300 crore in sales last fiscal. But, more importantly, Singh's parent company Manpasand Beverages has established a pan-India footprint for MangoSip. Not bad for an entrepreneur who started in 1997 and was up against the big daddy of mango drinks, Frooti.

Singh is expanding his portfolio, with Manpasand venturing into packaged drinking water—a market for which he sees huge potential.

In 2011, the private equity firm SAIF Partners picked up a 25 percent stake in Manpasand for, industry sources say, Rs 45-50 crore, with an earnings multiple of 30. "We were impressed by the fact that the entrepreneur had managed to take the business so far with very little capital," says Vishal Sood, managing director, SAIF.



Image : KamleshSurve for Forbes India

Singh's journey is not unlike other entrepreneurs in the consumer goods space. Rising incomes, particularly in rural India, have resulted in a consumption boom. Volume growth rates for many one-brand entrepreneur-led companies have been more than 25 percent for the last five years. Snack makers such as Prakash Snacks and Balaji Wafers have grown into Rs 500 crore companies in less than 10 years. Manpasand, which arguably had a tougher ride (mango juice is seasonal, with a bulk of the demand concentrated in four months), has set itself up for a national presence. It has worked on expanding distribution and has a presence across all states.

While there are no precise numbers on the size of the market, Singh estimates it at Rs 3,000 crore with Frooti being the number one brand. MangoSip is a clear second; Slice and Maaza come next, he says. Industry observers suspect that PepsiCo and Coca-Cola, which own those brands, have slowed investments as mango drinks have lower margins than cola.

The entrepreneur's early years were in Varanasi. At the time, a government job was the only option, says Singh, who took up a post with the petroleum department in the central government. "I barely had two hours of work in a

day," he says. Singh started dabbling in real estate in 1993, when property prices were rising. But the price correction of 1995, and slowing demand, hit the industry hard. Singh was running out of ideas.

That was when he got into the mango pulp business, by accident. Mango pulp was easily available and Singh learned that packaging and selling it would not be very difficult. But first he had to get the formula right for his drink. Singh first checked with consultants and was told that he'd have to cough up Rs 10-20 lakh just for the formula. But Singh didn't have any capital. Instead, he asked an acquaintance-a food scientist in the UK-to email him a recipe needed for the mass production of mango drinks. When he tried it out, it tasted fine, and he decided to run with it.

Singh leased part of an old plant from Mahananda Dairy in Mumbai, where MangoSip was made, but sold it in Uttar Pradesh.

He admits it was easier for him to start because the two national players, Frooti and Jumpin, had largely ignored tier-2 and 3 cities.

Singh stumbled upon his strategy one afternoon, in 1997, while on a highway outside Gorakhpur, at a tea stall. The owner told Singh that he was not happy; some customers would drink his tea but not pay for it, although they paid for branded biscuits. This prompted Singh to set the stage for MangoSip's entry into small-town India.

After succeeding in UP, MangoSip saw a steady expansion of distribution across India. It is now available across the country, although Singh admits that distribution in southern India is not strong. But that is expected to change with plans

to set up a plant in that region within a tentative deadline of three years. Singh will also be helped by the fact that Totapuri mangoes (it is 20 percent cheaper than other varieties and forms the base of all mango drinks) is grown in Andhra Pradesh, Tamil Nadu and Karnataka, and will be closer to the new plant.

Singh's most critical challenge, however, is still to come. As he pushes into larger cities, MangoSip will need to acquire the glitter of brand aspiration to take on the big players. Though the drink can be bought at train stations across Mumbai, customers still don't see it as their first choice. Jagdeep Kapoor of Samsika Consultants, a brand consultancy, says, "The company will have to work at creating a brand pull." Singh is conscious of this fact and he knows that the brand is going to need significant advertising support.

In January this year, Manpasand signed on actor Sunny Deol as brand ambassador. With a strong national presence, the company plans to up advertising spends aggressively in the next few years. "Spending money on advertising makes sense now as we have a certain size," says Singh.

While advertising is likely to create some pull for the brand-so far it has used a push strategy-Singh plans to use his ability to borrow to get into allied consumer businesses. He can make use of the existing distribution network and sales outlets. In addition to packaged drinking water, Manpasand also plans to sell savouries. Both, he says, offer the potential to maintain these growth rates for years to come and will put the company in the Rs 1,000 crore revenue bracket in the next four to five years. That's hardly chicken feed for an entrepreneur who started with nothing but gumption. "That and a little luck brought me this far."





Chairman & Managing Director

Dear Friends,

We at Manpasand Beverages Family welcome you.

The Last couple of years have been quite interesting for us. Our products have become a part of every day's life for many in India. Starting in 1998, we have come long way and have forged stronger partnership with local business partners in every state. This has allowed us to create a strong supply chain and happy consumers. However, there is a long way to go, especially in a big country like India. Rising incomes, particularly in rural India have resulted in a consumption boom. We realize that there is so much that has changed India and Indian consumers over last decade.

I believe, to understand the beverage industry in India, one must first look at it quite differently from other international markets. In recent years, the industry has been faced with new opportunities and challenges. Changes in consumer demands and preferences require new ways of retaining current consumers and attracting newer ones. Amid ever-increasing competition, beverage companies must intensely court consumers, offer high-quality products, efficiently distribute them, ensure safety and keep prices low – all while staying nimble enough to exploit new markets by launching new products. In this environment, success depends on a company's ability to quickly capitalize on emerging opportunities. "Beverages" generally grouped into two main categories: alcoholic (beer, wine, spirits) and non-alcoholic (carbonated soft drinks, juices, water, energy drinks, fruit drinks etc.). Each category of beverages has its unique issues and needs.

At Manpasand we have always focused on making our soft-drinks not just juicy and tasty but nutritious and healthy too. That is the reason why we put more emphasis on maintaining proteins and vitamins of the fruit while making beverages out of them. At Manpasand Beverages, high speed PET bottle

lines and tetra pack lines are installed at multiple locations to ensure that you get great fruit drink round the clock. The fruit drink processing plant are managed by teams of technically qualified professional who are well versed with production processes and are capable of delivering quality products which meets the desired quality standards. We have self-sustained research and development department at all our production sites where in "Food safety" is a top priority..

At Manpasand Beverages we uphold our Indian culture and Indian values which are of foremost importance. We will continue to play our part in nation building. Our business philosophy is as under:

- Helping local partners to attain business prudence
- Building trust and love for our brand
- Engagement at micro level i.e. every nook and corner of the country
- Expanding infrastructure and distribution mechanism to meet increasing demand
- Upholding ethical and sustainable values of the company and towards consumers
- Working on environmental issues and promotion of recycled materials

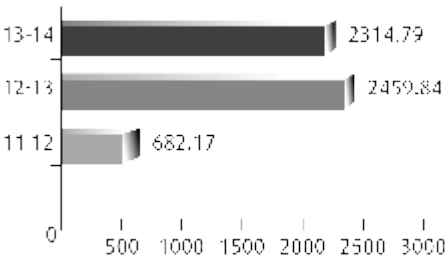
It has been a privilege to work with people all around India and that is something I cherish every day. We will continue to work on our mission; "To be counted as one of the leading beverage brand in the World" and by bringing a portfolio of quality beverage products that appease and satisfy people's desires and needs.

I thank you all for visiting and making an effort to know us more.

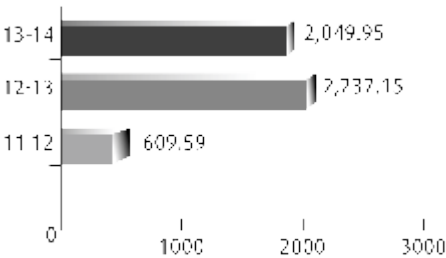
Dhirendra H Singh,
Chairman Manpasand Beverages Pvt. Ltd.

Financial performance

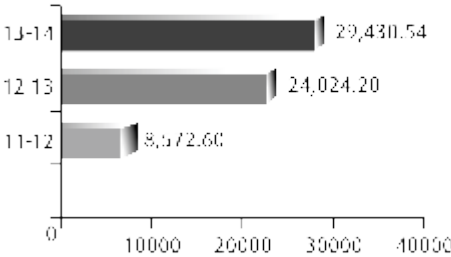
Profit Before Tax (₹ In lacs)



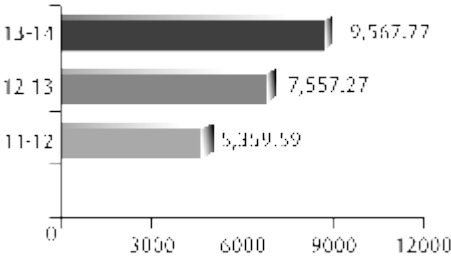
Profit After Tax (₹ In lacs)



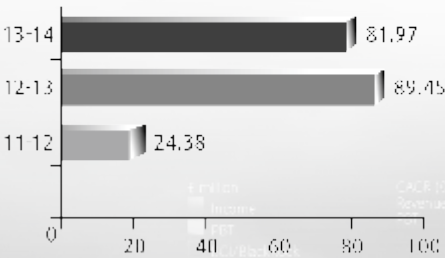
Net Sales (₹ In lacs)



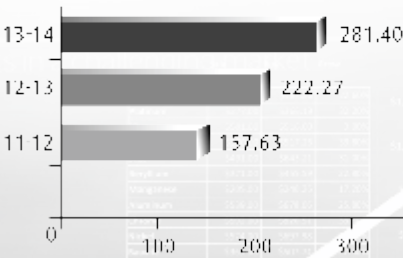
Net Worth (₹ In lacs)



Earnings per Share (In ₹)



Book Value per Share (In ₹)



delivered solid results

Projected sales of main products in 2013



BOARD OF DIRECTORS

- Mr. Dharendra Singh (Managing Director)
- Mr. Abhishek Singh (Whole Time Director)
- Mr. Dharmendra Singh (Whole Time Director)
- Mr. Bharat Vyas
- Mr. Satyendra Singh
- Mr. Vishal Sood – Nominee Director,
(M/s. SAIF Partners India IV Limited)

STATUTORY AUDITOR

M/s. Deloitte Haskins & Sells - Vadodara.

REGISTERED OFFICE ADDRESS

E-62, Manjusar GIDC, Savli Road,
P.O. Manjusar, Tal. Savli, Vadodara- 391775
Ph. No. : 91-2667-264733
Email Id: complianceofficer@manpasand.co.in
Website : www.manpasand.co.in
CIN : U15549GJ2010PTC063283

FACTORY ADDRESS

1. E- 93/94, Manjusar GIDC, Savli Road,
P.O. Manjusar, Tal. Savli, Vadodara- 391775
2. A-7/8, UPSIDC (Agropark), Karkhiyaon, Phoolpur,
Varanasi - U.P. 221 205.

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NOTICE

NOTICE is hereby given that the **Third** Annual General Meeting of the Members of **MANPASAND BEVERAGES PRIVATE LIMITED** is scheduled to be held on Thursday, the 14th day of August, 2014 at 10.30 a.m. at the Registered Office of the Company situated at E-62, Manjusar GIDC, Savli Road, PO Manjusar, Taluka Savli, Vadodara- 391775, to transact the following business:

ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date and the report of the Directors' and Auditors' thereon.
2. To declare dividend on Compulsorily Convertible Preference Shares.
3. To declare dividend on Equity Shares.
4. To re-appoint auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED that pursuant to section 180(1) (c) and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business, shall not be in excess of Rs. 200 Crores (Rupees Two Hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions, agreements, deeds and documents and also authorized to do all such acts, things and deeds as may be required to give effect to this resolution."

6. To pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions of the said Act, if any, and the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the creation by the Board of Directors of the Company from time to time of such mortgage, charges, liens, hypothecation, assignment, transfer and/or other securities in addition to the mortgages, charges, liens, hypothecation, assignment, transfer and/or other securities already created by the Company, on terms and conditions as the Board in its sole discretion may deem fit, on Company's assets and properties, both present and future, whether movable or immovable, including whole or substantially the whole of the Company's undertaking (s) in favor of any financial institutions, Banks and any other investing agencies to secure credit facilities that may be extended to the company up to an aggregate value of Rs. 200.00 Crores."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions, agreements, deeds and documents for creating such mortgage, charge, lien, hypothecation, assignment, transfer and/ or other securities and to do all such acts, things and deeds as may be required to give effect to this resolution."

7. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Bharatkumar Mahendrabhai Vyas (holding DIN 00043804) be and is hereby appointed as an Independent Director of the Company to hold office for five years from the conclusion of this Annual General Meeting till the conclusion of the Eighth Annual General Meeting and shall not be liable to retire by rotation."

8. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Chirag Doshi (holding DIN 00008489) be and is hereby appointed as an Independent Director of the Company to hold office for five years from the conclusion of this Annual General Meeting till the conclusion of the Eighth Annual General Meeting and shall not be liable to retire by rotation."

9. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Bharti Naik (holding DIN 06627217) be and is hereby appointed as an Independent Director of the Company to hold office for five years from the conclusion of this Annual General Meeting till the conclusion of the Eighth Annual General Meeting and shall not be liable to retire by rotation."

10. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dhruv Agrawal (holding DIN 06896866) be and is hereby appointed as an Independent Director of the Company to hold office for five years from the conclusion of this Annual General Meeting till the conclusion of the Eighth Annual General Meeting and shall not be liable to retire by rotation."

11. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to section 61 and other applicable provisions, if any of the Companies Act, 2013, the Authorised share capital of the company be and is hereby increased from Rs. 5,00,00,000/- (Rupees Five Crore Only) Divided into 35,00,000 (Thirty Five Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 15,00,000 (Fifteen Lacs Only) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 55,00,00,000/- (Rupees Fifty Five Crores Only) Divided into 4,35,00,000 (Four crores thirty five lacs only) Equity Shares of Rs. 10/- (Rupees Ten Only) each by creation of 4,00,00,000 additional Equity shares and 1,15,00,000 (One Crore Fifteen Lacs Only) Compulsorily Convertible Preference shares of Rs. 10/- (Rupees Ten Only) each by creation of 1,00,00,000 additional Compulsorily Convertible Preference Shares.

12. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Clause V of Memorandum of Association of the company be and the same is hereby altered by deleting the same and substituting in place and instead thereof the following as new clause V.

- V. The Authorized Capital of the company is Rs.55,00,00,000/- (Rupees Fifty Five Crores Only) divided into
- 4,35,00,000 Equity Shares of Rs. 10/ (Rupees Ten Only) each
 - 1,15,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each

"RESOLVED THAT any one of the present directors of the company be and is hereby authorized to take all necessary action to give effect to above resolution."

13. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT:

- a) Subject to such consents and approvals as may be required, and such conditions and modifications, as may be considered necessary and agreed to by the Board of Directors of the Company, (hereinafter referred to as the "board" which expression shall also include a Committee thereof), a sum not exceeding Rs.

23,74,02,000/- as may be determined to be required by the Board, out of the amount of Rs. 44,10,00,000 standing to the credit of the Securities Premium Account as at 31st March, 2014, be capitalized and transferred from the Securities Premium Account to Equity Share Capital Account and that such sum may be determined to be required shall be applied for allotment of new Equity Shares of the company of Rs. 10 each as fully paid to the persons who, on the date to be hereinafter fixed by the Board (the "Record Date"), shall be the holders of the existing Equity Shares of Rs. 10 each of the Company on the said date and that such new Equity Shares out of the Company's unissued Equity Shares, credited as fully paid, be accordingly allotted as Bonus Shares to such persons respectively on the Record Date, upon the footing that they become entitled thereto for all purposes as capital;

- b) The New Equity Shares of Rs. 10 each to be allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank paripassu in all respects with and carry the same rights as the Existing Equity Shares and shall be entitled to participate in full in any dividends declared after the Bonus Shares are allotted;
- c) No Letter of Allotment shall be issued to the allottees of the Bonus Shares and the Share Certificates in respect of the New Equity Shares shall be issued and dispatched to the allottees thereof within the period described or that may be prescribed in this behalf from time to time, except that the Bonus Shares will be credited to the demat accounts of the allottees who are holding the existing Equity Shares in electronic form;
- d) For the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment and distribution of the New Equity Shares."

14. To pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT:

- a) Subject to such consents and approvals as may be required, and such conditions and modifications, as may be considered necessary and agreed to by the Board of Directors of the Company, (hereinafter referred to as the "board" which expression shall also include a Committee thereof), a sum not exceeding Rs. 10,05,84,000/- as may be determined to be required by the Board, out of the amount of Rs. 44,10,00,000 standing to the credit of the Securities Premium Account as at 31st March, 2014, be capitalized and transferred from the Securities Premium Account to Compulsorily Convertible Preference Share Capital Account and that such sum may be determined to be required shall be applied for allotment of new Compulsorily Convertible Preference Shares of the company of Rs. 10 each as fully paid to SAIF Partners India IV Limited, the existing holders of Compulsorily Convertible Preference Shares of Rs. 10 each of the Company and that such new Compulsorily Convertible Preference Shares out of the Company's unissued Compulsorily Convertible Preference Shares, credited as fully paid, be accordingly allotted as Bonus Shares to such SAIF Partners India IV Limited, upon the footing that they become entitled thereto for all purposes as capital;
- a) The New Compulsorily Convertible Preference Shares of Rs. 10 each to be allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank paripassu in all respects with and carry the same rights as the Existing Compulsorily Convertible Preference Shares and shall be entitled to participate in full in any dividends declared after the Bonus Shares are allotted;
- b) No Letter of Allotment shall be issued to the allottees of the Bonus Shares and the Share Certificates in respect of the New Compulsorily Convertible Preference Shares shall be issued and dispatched to SAIF Partners India IV Limited within the period described or that may be prescribed in this behalf from time to time, except that the Bonus Shares will be credited to the demat accounts of SAIF Partners India IV Limited in electronic form;